Daily Report

Latin America

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FBIS-LAT-94-097 *19 May 1994*

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Cuba

Civilian Army Said Ready To Prevent 'Farce'

FL1805213794 Havana Radio Reloj Network in Spanish 1930 GMT 18 May 94

[Text] Jose Francisco Pena Gomez, leader of the opposition Dominican Revolutionary Party [PRD], who had reported fraud in the 16 May elections held in the Dominican Republic, said today that he has a civilian army ready to prevent an election farce.

We do not accept the results provided by the Central Electoral Board, which gives a slight advantage to President Joaquin Balaguer, Pena Gomez said in a television program. He also demanded a review of all vote tally sheets.

Pena Gomez also referred to his remarks during the 1994 elections, when he said that fraud must be proven before a call for violence could be made.

In a letter addressed to the Central Electoral Board, Jose Francisco Pena Gomez demands the suspension of the vote count due to the despicable, serious irregularities detected during the process. If the vote count continues, Balaguer would be proclaimed president, he said.

Moreover, Chilean Luis Ayala, chairman of Socialist International for Latin America, has denounced serious irregularities in the general elections held on Monday [16 May] in the Dominican Republic.

In a news conference, Ayala supported the denunciations made by the PRD presidential candidate who said he would be present today at the Central Electoral Board to refute the process and demand new elections in those districts where thousands of citizens were unable to vote.

Luis Ayala added that Socialist International delegates, in the Dominican Republic to observe the elections at the invitation of Pena Gomez, have detected serious and grave irregularities. Ayala added that citizens linked to Balaguer's government had two identification cards.

Balaguer was leading when the latest vote count results were announced.

Colombian Navy Flagship Visits Havana

FL1805184494 Havana Radio Rebelde Network in Spanish 1700 GMT 18 May 94

[Report by Marieta Cabrera]

[Text] At 0900 on 18 May, the ARC [expansion unknown] Gloria, flagship of the Colombian Navy, which is visiting Cuba for a second time, put in at the port of the Cuban Revolutionary Navy's [MGR] General Staff. The crew, headed by Captain (Eduardo Otero Erazo), was greeted by Colombian Ambassador Ricardo Santamaria and Captain (Martin Jodar), chief of the MGR General Staff, who welcomed the ship to Cuban territory. Over the past 25 years, this Colombian Navy ship has visited 48 countries on five continents. Cuba is the second stop in this year's eight-nation tour which began with Kingston, Jamaica.

As regards the ship's goals, the ship's captain said the following:

[Begin recording] [(Otero)] I believe it is going to be a very interesting visit, which will serve to further reaffirm the ties of friendship and fraternity that exist between the peoples of Colombia and Cuba.

[Cabrera] Why was Cuba selected?

[(Otero)] I believe Cuba was selected because it is one of the most important cultures in Latin America, and also to reaffirm the ties of friendship between the two countries. [end recording]

The flagship's crew met with Rear Admiral Pedro Perez Betancourt, chief of the MGR, who expressed to the Colombian crew the interest the Revolutionary Armed Forces [FAR] minister and the chief of the General Staff have in this visit. He also discussed the naval history of the two nations and weather conditions en route to Cuba.

During their stay, the visitors will have a busy agenda which includes meeting members of the FAR and the population in general while the ship is open to visitors.

Colombians Explore Investment Possibilities

FL1805224894 Havana Radio Rebelde Network in Spanish 1700 GMT 18 May 94

[Text] A delegation of Colombian businessmen just made a visit to Cuba, where they analyzed investment possibilities in Cuban production and service sectors. The Colombian businessmen worked on identifying investment possibilities in the tourism, sugar, pharmaceutical, and biotechnology industries, the agricultural-livestock sector, and basic industries, among others.

Representatives from the Ministry of Foreign Investment and Economic Cooperation, and the Cuban Chamber of Commerce provided the visitors with extensive information and debated the ideas proposed by the Colombian delegation on future joint projects. The Colombian delegation also learned of Cuban legislation regarding foreign investments and preparations for the eventual approval of a law for mutual promotion and protection of that type of business. Part of the group participated in the Cuba-94 tourism convention which is being held in Varadero, since that sector contains immediate possibilities for bilateral cooperation.

Chilean Socialists Seek Diplomatic Ties With Havana

FL1905014994 Havana Radio Rebelde Network in Spanish 2300 GMT 18 May 94

[Text] Congressmen of the ruling [as heard] Socialist Party of Chile have asked Chilean President Eduardo

Frei to reestablish diplomatic relations with Cuba, which have been severed for more than 20 years.

Deputy Anibal Perez [as heard], who spoke on behalf of those Chilean congressmen, referred to the level of development achieved between the two countries following the resumption of consular and commercial ties in 1991.

According to the socialist congressmen, over the past three years and within a climate of rapprochement, Chilean businessmen have invested more than $20 million in Cuba, while 11,000 Chilean tourists traveled to Cuba last year. The Socialist Party of Chile is the main ally of President Frei's ruling Christian Democratic Party.

Health Minister Explains Medicine Distribution Plan

FL1805172294

[Editorial Report] Havana Cuba Vision Network in Spanish at 0130 GMT on 18 May carries the Open Agenda program with host Antonio Resillez and guest Public Health Minister Julio Teja. The program focuses on the new medicine distribution plan.

Resillez states that there are 135 essential medicines, of which 73 are included in the control card system. Teja states: "It is a reality for our people that there is a level of frustration caused by the lack of medicine nationwide. This began to intensify in the second half of 1993 and intensified even more in the first quarter of 1994." Teja says that the new distribution plan has the "full support of the government leadership and the Communist Party of Cuba." He adds that resources are limited and therefore: "There is not going to be an overnight overabundance of medicines, nor are distribution levels going to be restored. The recovery process that began today in Havana is, rather, a process of recovery." Teja stresses that it is important not to build false expectations among the population and that many have commented that the medicine distribution plan is somewhat confusing.

Teja adds: "The main goal is to ensure the availability of medications. We have created conditions to ensure that there are more medications than last year and hope figures similar to those of 1992 will be attained. The essential medicine group includes medicines sold by control cards, those required for chronic or long-term illnesses."

In answer to a question by Resillez, Teja says that the chronic category comprises 2 million people with mainly cardiovascular ailments, asthma, diabetes, etc. Teja says that the main change is in monitoring mechanisms, and that the process of medical certificates is being reviewed because there have been many irregularities and the goal is to ensure that norms are complied with. He says medical certificates will be reviewed and people will be issued new cards with a minimum of inconveniences. Regarding the controlled sales of 29 medicines, Teja adds that these will replace unregulated sales. He says that production of herbal medicines and medications derived from bees will be boosted and are not included in the new distribution system.

Regarding sanitary pads for women, Teja states that there was a dire shortage in 1993 and that 1994's production goal is to make 16 million packages of 10 sanitary pads, or twice previous production figures. He adds this will not solve the shortage, however, because as many as 20 million packages were produced annually in previous years.

Teja stresses the importance of the People's Councils and the Family Doctor Pprogram in implementing the medicine distribution plan. He explains that the ration book is the identification document to be used in the neighborhood pharmacies, although the medicine acquired will not be recorded on it. A record of medications sold to the individual will be kept by the pharmacy itself. He adds: "The community has developed mechanisms to ensure that families can acquire medicines but avoid people buying medicines simply because they are entitled to do so. This is a concept we have to eliminate, and that is going to be done through education and through monitoring by community medicine committees, Family Doctor Program doctors, etc. The population should not buy such things, like they do at the grocery store, just because they are entitled to do so. We want to have a stable availability of products at the pharmacies."

Teja adds that the new plan is not rigid and that people will be able to buy "minimal necessary amounts" of medications at pharmacies in other neighborhoods in order to meet emergency needs.

Resillez points out that medicine production increased to approximately 60 million pesos in 1993 and is expected to reach to 84 million in 1994. Teja adds that this increase reflects higher production levels, and that medicine prices will remain stable. He makes a comparison between prices in Cuba and Spain stressing that medicine prices abroad are much higher. Teja adds that Cuba imported approximately $22.3 million in medicines and raw materials in 1993, that $25 million have been allocated for medicine imports in 1994, and that efforts are being made to replace imports by producing alternative materials and thereby increasing the availability of medicines.

Teja adds that the possibility of, as was suggested in the Parliaments in the Workplace, charging for the vitamin pills being distributed to the population is being studied and that should this occur, the vitamin complex will be available at a low cost. Teja points out that exporting Cuban-made medicines rather than reducing the medicine supply, contributes to producing more medicines for national consumption. He concludes by stating that experience has shown that rigid nationwide plans are not effective; therefore, "general guidelines have been issued, and every province is allowed to draft its own plan to meet specific social and geographical conditions."

Teja concludes by expressing his optimism for the new plan and welcomes the idea of appearing on the Open Agenda program again, along with other Public Health sector figures.

People's Councils To Support New Medications Program

FL1705120094 Havana Radio Rebelde Network in Spanish 2300 GMT 16 May 94

[Text] Today the presidents of the 102 People's Councils of the city of Havana analyzed the support these organizations are to provide in monitoring the new national medications program that will go into in effect as of tomorrow in this capital. Provincial health director Dr. Pastor Castell explained that this plan seeks to gradually ensure that the necessary medicines are physically supplied by the medical-pharmaceutical industry, to perfect distribution, and to link every welfare institution to a particular pharmacy. Castell explained that the success of the new program also depends on knowing in advance what medicines these pharmacies have and, in keeping with this, prescribing those medicines to one's patients. Castell said that among the plan's objectives are to get the medications to whoever really needs them and to have the population feel satisfied. The plan will also combat speculation or illegal sales of medicines that are in short supply.

Eastern Rains Leave One Dead, 62 Houses Damaged

FL1805015094 Havana Cuba Vision Network in Spanish 0000 GMT 18 May 94

[By Angel Leon Cabrera]

[Text] As a consequence of the heavy rains that affected the eastern part of our country last Sunday [15 May], one citizen died in Soledad de Mayari, 70 km north of Santiago de Cuba.

At approximately 1500 on Sunday, 15 May, it began to rain in Soledad de Mayari. This town, located 70 km north of Santiago de Cuba, could not imagine that only a few minutes later, the apparently inoffensive Soledad River would acquire such force. When things calmed down, it was possible to verify the effects of such rains. Antonio Pena Barrera, 41, died. Two other people were injured, and 62 houses were seriously damaged. Almost all families who live on the banks of the river lamented the loss of something. Risking his life, one man was able to rescue the yoke of his oxen. Moreover, 20 km of highway was damaged and a bridge totally destroyed.

Damages to agriculture and to electricity lines were also reported. The El Cate dam could not resist the force of the waters. Only by listening to witnesses can one understand the scope of the damages. One man who lived here all his life said this never happened before.

[Begin recording] [Unidentified first witness] I do not remember anything like this.

[Leon Cabrera] There are others who go even further.

[Unidentified second witness] I have never witnessed anything like this in the 45 years I have lived here. [end recording]

The heavy rains lasted a little more than 30 minutes, which caused the river to overflow. In less than 30 minutes, the rains caused all this disaster. It is not difficult to suppose, then, what would have happened if these rains had lasted longer. This is an important lesson in this recovery stage.

Castro Comments on Caribbean Unification

FL1705233894 Castries HTS Caribvision Television in English 1945 GMT 16 May 94

[Excerpts] As the much talked about newfound relationship between Communist Cuba and Caricom gathers momentum, Cuba's President Fidel Castro says he is eagerly looking forward to this new development. Speaking with Caribbean Broadcasting Union's (Sharon Marshall) following his attendance at the recent SIDS [expansion unknonw] conference, President Fidel Castro said that he is of the opinion that only good things will result from such a collaboration.

[Passage omitted] Meanwhile, St. Lucia's ambassador to the United Nations, Dr. Charles Fleming, has welcomed the new Cuba/Caricom relations. According to Dr. Fleming, St. Lucia's relationship with Cuba declined during the U.S. invasion of Grenada. Dr. Fleming, however, is of the opinion that the Cold War is over and the time is opportune to pick up where it was left off:

[Begin Fleming recording] Last year, for the first time in a long time, St. Lucia in fact joined other members of the UN in calling for an end to the U.S. embargo against Cuba. This is in keeping with the lessening of tensions. Cuban expatriate groups, mostly in Miami, who are strongly antagonistic (?toward) Cuba, have also changed their position and are calling for an end to the Cuban embargo. Cuba in fact is a Caribbean country. Because of the embargo, it has developed a good deal of appropriate indigenous technology from which we can benefit. So, St. Lucia believes that the time has come to end the embargo. We believe that St. Lucia can only gain from close relations with Cuba. [end recording]

Military Industries To Help National Economy

FL1905002394 Havana Radio Rebelde Network in Spanish 2300 GMT 18 May 94

[Text] In a news conference, Brigadier General Luis Perez, chief of the Military Industries Union, UIM [Union de Industrias Militares], reported that this year the UIM will earmark 28 percent of its production for the national economy. Gen. Perez added that in 1993, the UIM allotted 25 percent of its production to the internal market and it intends to contribute 40 percent of its production in 1995.

He explained that in the past, the UIM had only provided service to the Armed Forces, but that due to the current difficulties, it has decided to help the national economy. These industries manufacture carts for sugarcane transport, cutting tools, agricultural appliances, wheelbarrows, compressors, and other items in great demand.

Marianao Gas Plant Breakdown Disrupts Normal Service

FL1805153194 Havana Radio Reloj Network in Spanish 1404 GMT 18 May 94

[Text] Havana's Manufactured Gas Enterprise has announced that due to a breakdown at the Marianao gas plant, service was limited on 17 May. The gas company also announced that this situation will continue until noon on 19 May, and apologizes for the inconvenience to the population.

Power Plant Generator To Undergo Maintenance

FL1805132894 Havana Radio Progreso Network in Spanish 1100 GMT 18 May 94

[Text] Generator unit No. 6 at the Diez de Octubre power plant in Nuevitas is being dismantled for general maintenance. A total of 337 workers will participate in this task, which will take 20 days. Afterwards, they will continue with the repairs to the air-preheating system, change the air ducts, and install a forced-air fan and a seawater pump.

The maintenance is scheduled to be done within 70 work shifts, but the workers expect to conclude it in 60, as they did before, with generator unit No. 5. Once the maintenance work is completed, generator unit No. 6 will produce 110 megawatt-hours, in contrast to the mere 45 megawatt-hours currently being produced.

Water Company Announces Shortages in Havana City

FL1805000494 Havana Radio Reloj Network in Spanish 1930 GMT 17 May 94

[Text] The Havana City water company has informed the people that because of problems in the water pumping system in the Cuatro Caminos supply station, there will be a water shortage tomorrow, 18 June, in several municipalities in Havana City.

Water supply will be suspended from 0600 to 1800 in the zones of Cotorro, Guanabacoa, and La Habana del Este. The municipality of Cotorro, the town of Cuatro Caminos, and its outskirts will be affected. In Guanabacoa, the water shortage will affect the areas around Monumental Avenue, from the Central Highway to the towns of Santa Fe and Bacuranao; and in the municipality of La Habana del Este, the localities of Guiteras, Cojimar, and the Alamar development zone.

The Havana water company apologizes for the problems this shortage might cause. It adds that once the repair work is finished, the water service will be gradually reestablished.

Varadero Beach Tourism Convention Opens 17 May

FL1705185894 Havana Radio Rebelde Network in Spanish 1700 GMT 17 May 94

[Text] The 15th Cuba-94 Tourism Convention was inaugurated on 17 May at Varadero Beach, Matanzas Province. There are 88 tourism companies participating. Boris Reyes, president of the organizing committee, gave the opening address:

[Begin Reyes recording] We hope that each one of you fulfills the promotional and commercial aspects of your trip to Cuba and that your stay at the beautiful blue beach of Varadero will be gratifying as well as unforgettable. [end recording]

Important foreign associations, hoteliers, journalists, businessmen, and personalities of the tourism industry have come to the convention to exchange experiences, explore Cuba's tourist product, and complete negotiations that will benefit Cuba's economy.

The event will also serve to introduce the publications (SECCIONES) and GRANMA INTERNATIONAL, in German, to the Ministry of Tourism's Puerto Sol, Isla Azul, and Horizontes hotel chains.

Tourism Minister Osmany Cienfuegos, Politburo member Yadira Garcia, and other personalities of the tourist industry were present at the convention's opening.

Dominican Republic

Electoral Board: Balaguer Up By 1.41 Percent

PA1805150094 Madrid EFE in Spanish 1414 GMT 18 May 94

[Text] Santo Domingo, 18 May (EFE)—According to a Central Electoral Board [JCE] report, President Joaquin Balaguer leads opposition candidate Jose Francisco Pena Gomez by 1.41 percent.

JCE Bulletin No. 14, issued after midnight last night, reported that Balaguer and his allies had 1,099,772 votes while Pena Gomez' coalition had 1,063,508. Those figures represent 86.87 percent of the voting sites.

The JCE reports that Balaguer has received 42.57 percent and Pena Gomez has received 41.16 percent of the valid votes.

PRSC Says SI Election Observers 'Insolent'

PA1805155494 Madrid EFE in Spanish 1443 GMT 18 May 94

[Text] Santo Domingo, 18 May (EFE)—Today, the party of Joaquin Balaguer, current president and candidate for

reelection, described as "insolent" the Socialist International (SI) observers who attended Monday's elections. On a television program, Angel Lockward, spokesman of Balaguer's Social Christian Reformist Party (PRSC), criticized Chilean Luis Ayala, president of the SI, who last night described the irregularities observed in the general elections as "grave and serious." Lockward criticized the lack of respect shown by "some foreigners" and said that "none of them have the right to meddle in local politics."

The PRSC indicated that the SI observers were invited by the social democratic Dominican Revolutionary Party of Jose Francisco Pena Gomez, the main opposition candidate. He added that the observers his party invited have remained respectful, without making statements.

OAS Observers Report Election Irregularities

PA1905025394 Madrid EFE in Spanish 0037 GMT 19 May 94

[Text] Santo Domingo, 18 May (EFE)—The 27 OAS observers who witnessed the 16 May elections in the Dominican Republic said today that they detected irregularities and that many citizens were not able to vote.

The OAS report stated that "in several municipalities, citizens who had their identification cards could not vote due to irregularities in the official voters lists." In other words, the names of those citizens were not in the electoral register previously delivered to the political parties. The report added: "The OAS electoral mission, along with two other international delegations, immediately presented this serious concern to the Central Electoral Board (JCE) authorities. At the moment, we are not in a position to evaluate the magnitude or the implications of the irregularities in the electoral register."

The OAS observers hope the Dominican authorities will make an effort to determine "the identity of the persons responsible for the irregularities in the electoral registry." Finally, the OAS stressed "the preliminary status of the observations. Several members of the electoral mission will remain in the Dominican Republic to prepare a final report to be presented to the OAS Permanent Council as soon as possible."

Prior to the report's issuance, representatives from the U.S. National Democratic Institute for Foreign Affairs and members of Socialist International, SI, made similar observations, expressed in even stronger terms. A spokesman for President Ballaguer's Social Christian Reformist Party today described the SI observers as "insolent," adding that "none of them have any right to meddle in our national politics."

Opposition Candidate: 'Civilian Army' To Defend Votes

PA1805155794 Madrid EFE in Spanish 1455 GMT 18 May 94

[Text] Santo Domingo, 18 May (EFE)—Jose Francisco Pena Gomez, leader of the opposition Dominican Revolutionary Party (PRD), which has made accusations of fraud in Monday's elections, said today that it has "a civilian army" to see that the "people's votes are not mocked."

"We do not accept the results" of the Central Electoral Board [JCE], which gives a small margin to President Joaquin Balaguer, Pena Gomez said on a television program during which he requested "a vote count tally sheet by tally sheet." He also reiterated statements he made during the 1990 elections, when he said: "We must prove fraud before we call for violence."

Urges Activists To Remain Calm

PA1905023494 Madrid EFE in Spanish 0007 GMT 19 May 94

[By Ramon Melenciano]

[Text] Santo Domingo, 18 May (EFE)—Jose Francisco Pena Gomez, who claims that electoral fraud was perpetrated in Monday's elections, today asked his party activists to remain calm. His party, the Dominican Revolutionary Party (PRD, social democrat), demands President Joaquin Balaguer "relinquish power."

"We will not push the people to their death....we will fight with all peaceful means" the alleged victory of his party, Pena Gomez said. He also said that if the Central Electoral Board (JCE) continues to tally the votes and proclaims Balaguer the winner, the victory will not be valid.

The PRD leader today challenged the impartiality of two of the judges who comprise the electoral tribunal as part of his efforts to have the JCE recount the votes and recognize that his party won the elections. Pena Gomez requested Leonardo Matos Berrido and Jose Henriquez Almanzar be disqualified for their alleged acts of corruption, in which he also implicates the JCE and the Social Christian Reformist Party (PRSC), which supports President Balaguer.

The two electoral judges, proposed by the ruling PRSC, must relinquish their posts to their substitutes until the other members decide whether the request for disqualification is valid.

"The country has been robbed," Pena Gomez stated, justifying his charges that there were more ballots than voters in some towns. He explained that the JCE must again tally the null and "disputed" votes (subject to an embargo due to suspicions) to settle the situation. According to him, these votes include valid ones that would benefit the PRD.

He said the tally of null and disputed votes must be directly supervised by OAS, International Electoral System Foundation (IFES), and Electoral Advice and Promotion Center (CAPEL) observers. Pena Gomez believes these same observers should participate in a revision of the tally sheets, which correspond to electoral tables whose annulment the PRD has requested because of a modification of the voters' lists. He reported that computer diskettes delivered to the JCE with the tally sheet information do not coincide with the information announced by the electoral organization.

According to Pena Gomez, the situation occurs because the JCE's computer center is altering the tally sheet information to the detriment of his party. He claimed that JCE personnel added 38,000 votes that did not belong to the PRSC, and he also reported that the military seized four Municipal Electoral Boards and no one knows what happened to their tally sheets. Pena Gomez said the military still controls the boards in El Seibo, Moca, Samana, and Elias Pina.

Police and military surveillance around PRD facilities located in downtown Santo Domingo increased considerably while Pena Gomez gave his statements. Although the presidential candidate asked hundreds of followers to remain calm, they demanded to go out and "fight for their victory."

Nevertheless, Pena Gomez said that he wants no deaths and that he does not want "to disrupt the country's peace" with an uprising by his activists. PRD activists gathered in front of PRD facilities and shouted several slogans: "Get out, get out, Balaguer"; "We will repeat the April war"; and "If they do not relinquish (power) to us, there will be trouble."

PRD Legally Challenges Vote Count

PA1805162894 Hamburg DPA in Spanish 1443 GMT 18 May 94

[Text] Santo Domingo, 18 May (DPA)—The Dominican Revolutionary Party (PRD) political commission has initiated legal steps to challenge Monday's general election results.

A PRD delegation and a delegation from the Santo Domingo Accord lodged an appeal this morning in the predawn hours with the Central Electoral Board [JCE] requesting the vote count be stopped, no more bulletins be released, and no winners be declared in this election. The appeal to the JCE also demands a new vote tally sheet count.

The Santo Domingo Accord is the name of the alliance that nominated Jose Francisco Pena Gomez for president and Fernando Alvarez Bogaert for vice president.

The PRD says there were serious discrepancies in these elections ranging from switched voter lists to an illegal increase in the number of voting tables at some polling centers. The PRD also claims there are discrepancies between the numbers published in public bulletins and those on diskettes [preceding word in English] distributed to the parties.

The JCE scheduled a meeting for this afternoon to evaluate the PRD's claims, particularly the alleged list irregularities and the results given.

The last JCE bulletin shows Joaquin Balaguer ahead with 42.76 percent of the votes counted. Pena Gomez is in second place with 40.95 percent. These results are for 80 percent of the electoral tables throughout the country.

Balaguer Accepts Supplementary Elections

PA1905045294 Mexico City NOTIMEX in Spanish 0405 GMT 19 May 94

[Excerpts] Santo Domingo, 18 May (NOTIMEX)—Today, Dominican President Joaquin Balaguer announced he would accept holding supplementary elections in the provinces where it can be proven dishonest actions took place. The 87-year-old chief of state pointed out "he would accept holding these special elections in those places where irregularities took place, but the Central Electoral Board (JCE) must organize them."

Balaguer, the Social Christian Reformist Party (PRSC) presidential candidate, declared himself the winner of the 16 May elections, but the opposition claimed there were irregularities during the elections. Expecting to begin his seventh term at 87, on 17 May, the almost blind president denied there was fraud and maintained the elections were honest. [passage omitted]

Today, the JCE suspended issuing the bulletin that would make public the name of the winner of the general elections in order to analyze the PRD [Dominican Revolutionary Party] allegations of fraud. A PRD delegation delivered the vote challenge to the JCE. According to a JCE spokesman, it will take "pertinent" time to give an opinion on the opposition's charge and petition, but will make a ruling on 19 May at the latest. [passage omitted]

Haiti

Jonassaint Urges National Reconciliation

PA1805195394 Paris AFP in Spanish 1825 GMT 18 May 94

[Text] Port-au-Prince, 18 May (AFP)— Provisional President Emile Jonassaint (who is not recognized by the international community) asked Haitians on Wednesday to rally around the national flag and reconcile themselves "as brothers of the same nation."

In a radio and television message broadcast to the nation on 18 May on the occasion of Flag Day and of the University of Haiti [as received], Jonassaint said the "union of the (Haitian) people is as necessary now as it was during the conquest for independence." He also urged Haitians, at a time when "consciences are being

manipulated, to receive the legacy of our ancestors" and "hoist the flag before the people" and "protect its honor."

Prime Minister Robert Malval, who was forced to resign (and is recognized by the international community), asked students earlier at the same celebration not to allow "force to be more important than the law." Malval, in the presence of the diplomatic corps that went to his house to offer support, reiterated (?his rejection of) Jonassaint's "illegal" regime.

Malval Urges Students To Continue Struggle

PA1905004594 Madrid EFE in Spanish 2149 GMT 18 May 94

[Text] Port-au-Prince, 18 May (EFE)—Today, Constitutional Prime Minister Robert Malval urged Haitian university students to continue the struggle to preserve democratic achievements and to defeat conservative forces.

Meanwhile, in a radio and television message, de facto President Emile Jonassaint called for Haitian unity. Malval and Jonassaint spoke on separate occasions during the celebrations to mark University and Flag Day. According to Jonassaint, this unity is as important "as the unity that led to the creation of the flag on 18 May 1803."

The U.S., Venezuelan, Taiwan, and Mexican ambassadors, the Canadian and French charges d'affaires, and the Papal Nuncio met with Malval at his Chante Brise home to express their support. In statements to journalists, the diplomats noted that their presence at Malval's home clearly expresses their rejection of the "supposed" de facto government and their support for President Jean-Bertrand Aristide, who was overthrown on 30 September 1991 by a military group led by General Raoul Cedras. The diplomats added that Aristide and Malval represent the constitutional legitimacy of Haiti.

Trinidad and Tobago

Refinery Expects Job Losses in Divestment Process

FL1805224294 Castries HTS Caribvision Television in English 1945 GMT 18 May 94

[Text] More job losses in the pipeline for Trinidad and Tobago, this time at (Petrotrin). Chief executive officer (Keith Owah) says the company's wage bill must be reduced from 47 percent of the company's operating costs to at least 35 percent. (Petrotrin) was formed last year by a merger of (Trintopec) and (Trintoc), and the new management is seeking to divest the nonpetroleum assets of the two companies. (Nicole Huggins) tells us more in this dispatch:

[Begin recording] [(Huggins)] The refining operations of (Petrotrin) have lost as much as $15 million annually over the past seven years. Output stands at less than 50 percent capacity, and with international oil prices expected to remain soft—between $15 and $17 per barrel—(Patten C.U. Keith Owah) sums up the company's strategic plan in one word: survival. Part of the plan is the sale of the Point Fortin refinery. Mr. (Owah) says there have already been informal statements of interest, but serious offers are expected, maybe by the end of the month. Most refineries are running on technology that is 30 years old, but Mr. (Owah) says he is fairly optimistic that an interested party will be found.

[(Owah)] In South America, you have countries with surplus crude and no adequate refining capability. Even in North America, you may find people, who are importing crude to process in the U.S., who might find Trinidad a good geographical location to begin investing in upgrading a refinery. So the point is that even though it is an old refinery, it is relatively safe in terms of refinery configuration. There is a good base on which to build an upgraded refinery.

[(Huggins)] The company is also looking at divesting the nonetroleum assets of (Trintoc) and (Trintopec), from catering services and hospitals to agricultural holdings. The Point-a-Pierre refinery is in the process of being upgraded, at a cost of TT $1.5 billion, and a venture partner is now being sought.

[(Owah)] I do not think today, we can say exatly what form that alliance will take, but it could be from one extreme—an equity partner—to another extreme, where you simply have an alliance with someone providing raw material and (?taking product), and that kind of thing. Our objective is to minimize our risk.

[(Huggins)] The upgrade is scheduled for completion by the first quarter of 1996, at least. The divestment of assets and the restructuring of the company are expected to lead to further cuts in the workforce over 1994-95, and those who remain may not have to accept much less, but will have to produce much more.

Secretary Carpizo Rejects U.S. Election Intervention

PA1905024594 Mexico City Radio ACIR Network in Spanish 0000 GMT 19 May 94

[From the "ACIR Radio News" Newscast]

[Text] Here in Mexico, there are many reactions to the bill sent to the U.S. Congress by Democrats David Bornier [name as heard] and Robert Torricelli. The bill states, among other things, that the U.S. Congress should support political reforms in Mexico in view of the upcoming 21 August elections. The two Democrats also proposed the presence of international observers. I repeat, this bill has sparked a number of reactions in Mexico by Mexican senators, Congress leader Maria de los Angeles Moreno, and Government Secretary Jorge Carpizo. Elvia Moreno has the story:

[Begin recording] [Moreno] Government Secretary Carpizo today rejected the idea of foreign intervention in Mexico's internal affairs by saying only Mexicans will manage and supervise the 21 August federal elections. He was interviewed after he opened the Radio Broadcasting Commission Production Center of the Federal Electoral Institute [IFE]. The center was designed to support political parties in their mission to broadcast and spread the political culture. He stressed the following:

[Carpizo] As a Mexican, I reject any foreign intervention in Mexico's internal affairs. As for the elections, it is very clear that only Mexicans will manage and supervise the electoral process. We will let no foreigner intervene for any reason whatsoever. I am sure we Mexicans are united on this, for we believe in sovereignty and nationalism. The only thing these U.S. congressmen will achieve is to unite us even further. The final outcome will be that all Mexicans, as one entity, will not accept any interventionist principle.

[Moreno] This is how the government secretary replied to the interventionist attempt by two U.S. Democrats to observe the Mexican electoral process.

As for the debate on electoral registers between Samuel Del Villar, representative of the Party of the Democratic Revolution at the IFE, and Carlos Almada, Federal Voters Registry director general, Secretary Carpizo pointed out that the interest shown by Mexicans on the electoral lists reveals the citizens' determination to be better acquainted with electoral issues.

Carpizo also noted that the National Radio and Television Chamber is in charge of making the technical preparations to hold the electoral registry debate, whose date and place have yet to be determined. [end recording]

Legislators Condemn Proposal To 'Invade' Haiti

PA1905003794 Mexico City NOTIMEX in Spanish 2219 GMT 18 May 94

[Text] Mexico City, 18 May (NOTIMEX)—Mexican legislators today condemned U.S. President Bill Clinton's proposal to create a multinational force in Latin America and invade Haiti, to expel the military who rule that country.

Institutional Revolutionary Party (PRI) Deputy Ramon Mota Sanchez, chairman of the National Defense Committee, said Mexico remains firm in its foreign policy, which considers inviolate the self-determination of nations and the principle or nonintervention. "I totally and absolutely disagree with a proposal of this magnitude because it only shows us a manifestation of the policy traditionally maintained by that country, which pretends to act as an older brother" in Latin America. He demanded that the neighboring northern country's attitude be stopped "once and for all," and he expressed his confidence that the firm and invariable Mexican position will be stated in Mexico and various international forums.

Gabriel Jimenez Remus, parliamentary coordinator of the opposition National Action Party (PAN), said it was absurd that Clinton issued a proposal of this magnitude and, worse yet, is trying to get Mexico to support him." He emphasized that Mexico "has a firm policy on this issue and, therefore, all PAN members and federal deputies condemn this request, which only proves that this country insists on becoming judge or arbitrator of everything that occurs in the world, particularly in Latin America."

Ricardo Valero Recio Becerra, coordinator of the opposition Party of the Democratic Revolution (PRD), said his party will in no way support such a petition. Valero, who is also secretary of the Lower Chamber's Foreign Affairs Committee, said the U.S. policy "is no longer fit for our times." He added: Nevertheless, it reminds us of the Inter-American Peace Force that was created in the 1960's and whose activities were very dangerous for the region. He considered it worrisome that the United States make such a proposal given the situation of uncertainty which prevails in Haiti and which shall undoubtedly affect the region's stability.

The U.S. Government, through its Department of State, has asked Latin American nations to endorse an armed action on the Caribbean island, to replace the Haitian military government, but apparently only Uruguay and Argentina have endorsed the proposal.

Defense Secretary on Water Cannons, Elections

PA1805234094 Mexico City Radio ACIR Network in Spanish 0000 GMT 18 May 94

[From the "ACIR Radio News" newscast]

[Text] We are still in contact with Jesus Casasola, who this morning covered a number of military maneuvers and activities carried out by the National Defense Secretariat in the presence of journalists. During the activities, Division General Antonio Riviello Bazan, Mexican national defense secretary, said the Mexican State does not intend to repress public demonstrations with the newly purchased water cannons, referring to the famous Cobra vehicles that have been so severely criticized. Defense Secretary Riviello Bazan said that if public peace is threatened, this equipment will be used. Go ahead, Jesus, we are listening.

[Casasola] Here again, Pepe, I want to mention that it is not the government's decision to suppress any public demonstration. If the social well-being is threatened by the presence of violent groups, however, the riot equipment recently purchased by the National Defense Secretariat will be used. This is the warning National Defense Secretary Antonio Riviello Bazan made today. In a news conference held in the San Miguel de los (Agueyes) Military Base in Huehuetoca Muncipality, Mexico State, he pointed out that the 24 armored vehicles cost $100,000 each. He added that they will be used only when state officials who are confronted by violent groups require their use. Here are the defense secretary's words:

[Begin Riviello Bazan recording] If we had to intervene, this equipment causes no more harm than getting wet. Anyway, we feel it has not been well received by the public, but the Army has to take precautions. This is a precaution. If the public, however, wants us to remove the water cannons and replace them with 105mm cannons, then we will replace them. [laughter] Yes, there are two; we are talking about two different types. One is the riot cannon, the other is not precisely for that purpose. You can see the government does not intend to prevent any public demonstration. It is not up to the National Defense Secretariat. It is up to the proper civilian authorities to make a request through the Government Secretariat and, in the last instance, the president gives the authorization. We are not autonomous. [end recording]

[Casasola] Antonio Riviello Bazan reiterated that the purchase of the riot equipment is part of a plan to upgrade the Army's equipment, since it has equipment which dates back to 1942. Jokingly, he said: This is a good opportunity for anyone who wants to buy antique cars.

He also spoke about the State of Chiapas case, indicating that the National Defense Secretariat is currently analyzing two recommendations made by the National Human Rights Commission. Concerning the current conflict in this state, he added:

[Begin Riviello Bazan recording, in progress] ...in a state of alert by the Armed Forces. We are determined to continue supporting the government's efforts. [end recording]

[Casasola] As for the elections, the national defense secretary said the Mexican Army will participate in the security and transportation of the electoral ballots. On the recent creation of the National Commission of Public Security, he said his department is not subordinate to anyone.

After the news conference some members of the media were invited to a military demonstration in which live ammunition was used.

Guatemala

Defense Minister Discusses Peace Process

PA1705165294 Guatemala City SIGLO VEINTIUNO in Spanish 12 May 94 p 12

[Interview with Division General Mario Rene Enriquez Morales, Guatemalan defense minister, by Carmen Aida Ibarra and Jose Ruben Zamora; place and date not given]

[Text] In this interview, Defense Minister Div. Gen. Mario Enriquez Morales criticizes the meager contribution made by Guatemalans—especially politicians—to the peace process and says that talks with the URNG [Guatemalan National Revolutionary Unity] might last until 1995.

He also admits that the Army has made a major effort to balance two different issues things: tolerance of officials involved in the political-ideological arena with the antisubversive campaign of those officials who remain in the mountains fighting the guerrillas.

[SIGLO VEINTIUNO] How far is the Army willing to go vis-a-vis negotiations with the URNG?

[Enriquez] Our desire for peace is genuine, but that does not mean we will leave it up to the URNG to do whatever it wants with the Guatemalan Army. We are willing to go as far as the URNG did in its response to the overall proposal and as far as the government did in its response to that proposal.

They might want to ask for things beyond that point, which could exacerbate the situation. The constitutional president of the Republic is our commander in chief, and it will be up to him to set the limits for the Army. As our commander in chief, I do not think he will set us adrift.

[SIGLO VEINTIUNO] To accept...to what extent? Despite the military's claim that they are apolitical and nondeliberative, they are doing just the opposite.

[Enriquez] That is your view because we speak to the media. Those who speak up the most are Gen. Enriquez, Colonel Morris Eugenio De Leon, and our spokeswoman.

[SIGLO VEINTIUNO] It is not only my opinion. Gen. Pineda Carranza and Gen. Balconi Turcios, among others, have also spoke out recently, and their public statements have triggered various comments, one of which is that the Army has entered the political arena and is actively participating...

[Enriquez] We are speaking up because various national sectors and participants are inviting us to different forums. We believe that, as part of Guatemalan society, we must attend all these events. We cannot withdraw from that area because the Army is being criticized by its enemies. That is why we accept all invitations.

[SIGLO VEINTIUNO] What concessions are you willing to make during the negotiations?

[Enriquez] We are concerned about and interested in all the topics on the agenda. After all, we are Guatemalan citizens first, soldiers second.

We are concerned about what might happen if a national constituent assembly is formed and about the changes it might make in the Constitution. We are interested in future developments in the agrarian situation because it could trigger a disaster, a social turmoil...because the potential for violence exists.

We are also concerned about the issues of Indian peoples. We hope the efforts to polarize Guatemalan society along ethnic lines do not succeed, because we must preserve general peace. There are some aspects of Agreement 169 that are unconstitutional. They must be made to fit within the Constitution.

We are even more concerned about issues that are closely related to the Army and which concern us directly. That is normal. Just as the Chamber of Agriculture has great interest in the agrarian situation, we are very concerned about the truth commission.

[SIGLO VEINTIUNO] Why are you concerned?

[Enriquez] How could we not be? We have not become belligerent, but we know well that some people seek to morally destroy the Army as an institution through accusations made by an illegal, clandestine, and illegitimate minority.

I think it would be unfair to omit the names of those who have been URNG militants since 1960, or those of union leaders, university students, and all those who became involved in this.

Too many parties were involved, including countries like Cuba, where nearly everyone received training.

[SIGLO VEINTIUNO] Mexico...?

[Enriquez] Mexico...well, there is no reason not to mention that country just because they are being so nice and hospitable to us. Reality prevails there. Aren't the guerrilla commanders in Mexico. Do they not give refuge to the guerrillas? Did the refugees not go there? Didn't the CPR [Communities of Resistant People] go there when we entered Ixcan? It is a sanctuary for subversion.

The URNG wants the commission to have some specific tasks; for example, they want them to have judicial functions. In that case its purpose would not be reconciliatory because it would open wounds that have already healed. It would be a commission of revenge.

Anyone who focuses on revenge keeps his own wounds open. The URNG's wounds are undoubtedly still open because it did not gain power and would like to destroy those who opposed their reaching it; in this case, the Army.

[SIGLO VEINTIUNO] You have said that you will be tolerant in the negotiations. Do you think it will do any good?

[Enriquez] I don't think it will do any good, but many think it will. I would like to find someone who could convince me, because I have said—maybe too intensely—that a truth commission will not reconcile us.

I will say it again. Whether or not this commission is authorized, I will say it today and always: It will not reconcile us. There is international proof that will not reconcile us.

[SIGLO VEINTIUNO] Give us an example.

[Enriquez] What happened in Argentina? The Painted Faces appeared and there was a serious confrontation. They were killing each other in El Salvador. If general amnesty had not been declared three days later, who knows what would have happened...

With all those precedents, why are we going to get involved in this? We do not fear the commission or the truth. We have told them that we fear the truth that "you, who are clandestine and illegal, want to apply against the Army."

In the case of the truth commission, we have a ceiling and a floor. You can be fully assured that the ceiling does not include our military personnel putting their heads in the main plaza to have them cut off.

[SIGLO VEINTIUNO] Your position that all sectors be tried, including nations, could hinder an agreement, clarifications could become unrealistic.

[Enriquez] It would be more unrealistic if all sectors were not included.

[SIGLO VEINTIUNO] But the armed conflict was between the Army and the rebels...

[Enriquez] That is what some believe: The Army and the guerrillas were involved, no one else. That is untrue. It cannot be. There were many actors here...Let everything come out in the open.

Unions and political parties have been infiltrated. Donaldo Alvarez Ruiz and Valiente Tellez were not soldiers. I am certain there were death squads that were not created by the military, either. So it is not just the Army and the URNG. It is not just Guatemala. Mexico, Cuba, Russia, and Nicaragua were involved. Isn't that where the arsenals came from?

[SIGLO VEINTIUNO] What about the nations that supported the Army...?

[Enriquez] That's the bad part, no one helped us. We were left alone, they wanted to finish us off once and for all.

[SIGLO VEINTIUNO] How will the officers react if the government accepts a commission such as that wanted by the URNG?

[Enriquez] I think the officers will not be pleased at all. I like to respond directly, which is why I say they will not be satisfied. We are not willing to go to our deaths like little lambs to the slaughter. We prefer to die fighting. We have told the URNG this.

[SIGLO VEINTIUNO] One can perceive opposing attitudes in the armed institution. On the one hand, you are playing in the political arena with open and tolerant policies, while on the other hand, the officers and soldiers are fighting the guerrillas in the conflict areas with counter-subversive polices because they remain in the area of confrontation. How can the positions be reconciled?

[Enriquez] You are right. We learned this from the URNG. They have a local and international attitude and yet another attitude for their combatants. If we do not get smart, they are going to beat us.

The soldier is trained to fight. The second lieutenant, the lieutenant, the captain, and the major are trained to fight. Meanwhile, the lieutenant colonel, the colonel, and the general have to be prepared to work in the political-ideological arena, not in the party aspect, to defend the Army.

We have always said that militarily we are superior, but politically the URNG is ahead of us.

[SIGLO VEINTIUNO] What specifically are you doing to reconcile both viewpoints and attitudes?

[Enriquez] We are doing a lot in the Army. It is a lot of work because we know that a military and political effort must be made to consolidate peace in Guatemala.

Each officer and soldier knows that we have opened our arms to peace, but they also know that as long as there is an armed conflict, we must fulfill our constitutional duty to effectively combat subversion.

[SIGLO VEINTIUNO] How have officers in the conflict areas reacted to the withdrawal of detachments from the resettlement areas and to the orders that they must treat the displaced and returning refugees as brothers when they have always seen them as guerrillas?

[Enriquez] That shows you how the Army has changed, because the message has reached all levels. The officers agree with what is happening. You cannot imagine how the commander talked to all those people when the soldiers withdrew from Tercer Pueblo after so many years, so many dead and wounded, and so many harassment attacks.

[SIGLO VEINTIUNO] But if there are two viewpoints or attitudes and no institutional position, there might be concern that someone could suddenly come out and say there is dissension in the ranks.

[Enriquez] I do not know if there is dissension in the ranks. A lieutenant in Playa Grande told me in front of 52 officers: "General, I am very sorry we have left Tercer Pueblo." He spoke to me about our dead and wounded and how we were giving up by withdrawing from Tercer Pueblo.

I replied: "You are right. As a lieutenant, that is how you must think, and I congratulate you. I am also sorry, but we have to open our arms to peace, to those who return, and to the CPR so we can begin walking on the path to peace. But that is the way a military man must think," I told him.

A candle must not be so close that it burns the saint's statue but not so far away that it doesn't illuminate it. They were given the urban area of Tercer Pueblo, but we were left on the outskirts, because that was the agreement and because constitutionally we can be there.

We removed the Cuarto Pueblo detachment from where it was because the CPR were very close, 1,200 meters away, and we placed it at the border with Mexico. Now they say we have them surrounded because we are in Mayaland, Monaco, Xalbal...but that's life.

Nevertheless, I can assure you that our position is unified. It is the same for everyone. It is one of opening, even though the desire to fight must continue to exist among our people until all of this ends.

[SIGLO VEINTIUNO] Do the changes in the Army also include cleaning up the institution, as you recently told the media?

[Enriquez] I told the media and I also told the officers that I want the Army to take a bath with the best soap. I also told them that it would be "an external bath, because I cannot go into your consciences."

Nevertheless, I warned them that "you will pay for any error that you individually or any group of you commits and that compromises the armed institution. The law will be enforced. Let us hope it falls with greatest severity on those who commit the error."

That is what we must do. We are determined. All the commanders know this. We will not tolerate anything.

[SIGLO VEINTIUNO] When you spoke of a cleanup, you also said you wanted to solve the crime against anthropologist Myrna Mack...

[Enriquez] I believe that has already been solved.

[SIGLO VEINTIUNO] There are still the masterminds...

[Enriquez] That is what Helen Mack says, right? If we follow that line of thinking, all of a sudden [former President] Vinicio Cerezo will have to go to jail because he was the leader. I would have to go to trial if anything happens anywhere and a soldier is to blame. That should not be so.

In this case, a person has already been tried. I do not think he was following orders because if he had been, he would have said so a long time ago.

[SIGLO VEINTIUNO] Let's talk about your views on the agenda. What are the most important topics, and which are the most likely to be sticking points?

[Enriquez] The truth commission is important, but that issue is now separate from human rights. The most important issues are the strengthening of civilian power, the role of the military in a democracy, and the land issue. I think the land issue will be a difficult one.

[SIGLO VEINTIUNO] What about the constitutional reforms being discussed at the negotiating table?

[Enriquez] That is the third most important issue. We have tried to probe a little into the changes they are seeking because the URNG says the Constitution is antisubversive.

They may want to make many changes, and of course they are not going to have a large enough presence at the national constituent assembly to make them. That could pose a serious problem.

[SIGLO VEINTIUNO] Could the land reform issue be a part of the agreements, or would it have to discussed at the constituent assembly?

[Enriquez] This must be dealt with constitutionally because private property is expressly recognized in the Constitution. Furthermore, the talks are between the government and the URNG, which means the legislative and judicial branches have no say in the negotiations.

The only thing the government can do with its legislative powers is promote action in that direction. It cannot offer or guarantee that this or that will be done, because approval or rejection of any reform falls under the authority of other branches of government.

The URNG wants to change the Constitution, including the Army's mission. Apparently they want to remove the clause on domestic security, so the final decision belongs to the constituent assembly, not the executive branch.

[SIGLO VEINTIUNO] Would the next issue be the Indians?

[Enriquez] We focus a lot of attention on that issue because it is a significant problem in our society. It is easily exploited by those who are talented at making the best of contradictions.

While it is true that the indigenous communities in our country have lived—or have been forced to live—apart from the rest of society, I do not believe it is part of a policy promoted by the government or the Coordinating Committee for Agricultural, Commercial, Financial, and Industrial Associations [CACIF]. What worries us is the fact that they have become quite ideological.

These are the most important issues. Once we manage to overcome the military issue and the other more difficult matters, once I hear the URNG say "cease fire," then I can say we are going to attain peace.

[SIGLO VEINTIUNO] What is your opinion of the behavior of all the other sectors of our community regarding the peace process?

[Enriquez] As of just recently, I would say it has primarily been indifference. It was as if the people really believed that the only two players were the guerrillas and the Army, like you said before, and that everything would end when they decided to stop fighting. Period. That is really not the way it is.

I find that they have become more aware and now realize that the subversive attacks were directed at the government and the system in Guatemala with the objective of completely changing everything. They know now that the Army, as the nation's armed force and legitimate defender of the Guatemalan State, was obliged to fight them. That is precisely what we have done. We have carried out our mission, and we are determined to accomplish it.

[SIGLO VEINTIUNO] What is your opinion about the political sector?

[Enriquez] The only thing I can say about the political sector is that I hope the parties grow stronger and, as rightful institutions, they meet the people's expectations for the coming elections.

[SIGLO VEINTIUNO] Do you mean growing stronger in their present form?

[Enriquez] When I say grow stronger, I mean I hope the members choose their leaders wisely. If they do, they will not have to regret it later and say that their leaders did not meet the expectations they created.

Now there are elections for deputies, and the general elections are almost here. The people must think carefully about who they will vote for. If they do not, we are going to see the same problems all over again and it will be the voters' fault alone. We do not vote.

[SIGLO VEINTIUNO] What can you say about the politicians' participation in the peace process?

[Enriquez] Their contribution is almost imperceptible. There were representatives from the political parties when the talks began, but they gradually disappeared. Lately the politicians have said nothing about peace or a cease fire. The media has been bolder in writing about these issues.

[SIGLO VEINTIUNO] There is light at the end of the tunnel now that the Human Rights Agreement has been signed. Many feel it is the beginning of peace. Objectively speaking, how realistic is it to hope for peace in the next few months?

[Enriquez] I do see light at the end of the tunnel; so much so that I, as defense minister, would dare express my honest enthusiasm and delight about the Human Rights Agreements.

The agreements not only bring international verification, which is a firm step toward peace, but they also include a statement by the government and the URNG of their willingness to attain peace in December, before the end of the year.

If there is no political willingness, however, it is logical to conclude that the talks will grind to a halt. That is also true. Nevertheless, I do not believe that any further delay would benefit anyone, not even the URNG.

[SIGLO VEINTIUNO] Based on what you believe will happen, not on what you would like to see, would you venture to say that a peace agreement will be signed in December?

[Enriquez] If you ask me what I would like to see, then I say yes, I hope peace can be signed in December or earlier. If you ask me what I think will happen, I would have to say that when I was overly optimistic in the past, I was disappointed. I would rather not be so optimistic this time. I think the peace talks could go on into part of next year.

[SIGLO VEINTIUNO] Where could the stalemate arise?

[Enriquez] Practically everything is behind schedule. They were supposed to start talking about the displaced persons on 8 May, but they have postponed that until 21 or 24 May. There you have a fortnight already, and they will surely postpone other issues.

I am sure they will encounter obstacles on some issues. I only wish it were a matter of saying: "This is as far as we can go." Then they could go on the record as saying that the URNG wants this or that and the government wants that and the other. But that is not the way it works. They prefer to go on fighting over each issue.

220 Guatemalan Refugees Return From Mexico

PA1905035394 Mexico City NOTIMEX in Spanish 0203 GMT 18 May 94

[Text] Chetumal, 17 May (NOTIMEX)—Francisco Chop Chomo, representative of the Permanent Commissions for Refugees, indicated that some 220 Guatemalan refugees, who had settled in the southeastern Mexican State of Quintana Roo, today returned to Guatemala by plane.

Chop Chomo noted that the first Hercules plane flight departed at 1210 local time, while the second flight departed at 1600 local time en route to Playa Grande, Guatemala. Chop Chomo added that the third flight scheduled for 17 May was canceled due to mechanical failure. Another 360 Guatemalans are expected to return 18 May on two more flights, one at 0900 and another at 1300 local time.

Chop Chomo said that representatives of the UN High Commissioner for Refugees [UNHCR] and the Mexican Commission for Aid to Refugees accompanied the refugees to the airport of Playa Grande. He indicated that the Guatemalan Army refuses to allow international observers to accompany the refugees until they reach Pueblo Nuevo, Mayalan, and Santa Maria Tzeja, where returning refugees will settle.

According to UNHCR reports, 1,717 Guatemalan refugees will return voluntarily to their country by plane from 13 to 19 May. This operation constitutes the fourth collective return since 20 January 1993 when some 2,500 Guatemalans returned to their country and the first returned by plane. Some 43,000 Guatemalan refugees have lived in camps in southeastern Mexico since the early 1980's, when they began fleeing from attacks by the Guatemalan Army.

Meanwhile, Gilberto Ocana Mendez, prison director in Chiapas State, announced that four of the 42 inmates, who began a hunger strike on 16 May, suspended the action following the promise that they would be returned to their country.

Guatemalan nationals Alfonso Gabriel Mendez, Juan Lopez Ramirez, Nicolas Vasquez Gabriel, and Marcos Prez Sanchez were arrested after being charged with violating the General Population Law of Mexico. Guatemalan Consul in Chetumal Jose Ignacio Salan Casados visited the inmates to tell them that within hours they would be returning to Colotenango, a community in the northwestern Guatemalan Department of Huehuetenango.

Nicaragua

Chamorro Announces General Ortega To Resign Feb 95

PA1905001794 Managua Radio Nicaragua Network in Spanish 2311 GMT 18 May 94

[Speech by President Violeta Chamorro to the nation at the National Unity Room of the Presidential House in Managua—live]

[Text] Dear Nicaraguans: On 25 April 1990, when I was sworn in as president of the country, I addressed all of you from the National Stadium and I said that the four pillars of a democratic republic for all to be free and equal before the law, are:

First: the exercise of democratic liberties;

Second: the utmost promotion of economic production;

Third: the reduction of social inequity;

Fourth: to work with a spirit of peace, unity, and national reconciliation.

During these past four years we have been working toward the objectives I mentioned that first day. In the government program I outlined for the people, I established the commitment that the Armed Forces would have a professional nature and would not belong to any political party. However, on that day also, I committed myself to putting an end to the war and to consolidating peace; to reducing the Army; and to placing the Armed Forces under the civilian authority of the president.

Ever since that April morning we have been working on these objectives. We have been able to reduce the size of the Army from 84,000 men and women to only 14,000, thus turning it into the smallest army in Central America. As a result of this reduction in military expenditures, we have been able to increase investments for repairing and building schools and health centers.

Today I am very happy to send to the National Assembly the Bill on Military [word indistinct] and Organization, Jurisdiction, [words indistinct], popularly known as the Military Law. This bill contains three essential military points: It establishes guidelines that ensure compliance with the functions of the Armed Forces, their professionalism, and their nonpolitical nature.

The most important aspect of this bill is that once it is promulgated, Nicaragua will have, for the first time in its history, an army clearly subordinated to civilian power, committed to the Constitution, and it will not belong or submit itself to the interests of any political party or social class. Behind us now are the years of armies that belonged to groups or parties and that made the birth of democracy in Nicaragua so laborious. Today we are opening the doors to an Army of all the Nicaraguans. It will be done so that we never lose the democracy that has been won.

It was difficult and hard to bring about the agreement with the Army. Never before in the history of Nicaragua had the civilian and military leaders of the country worked to draft laws that would guarantee civilian supremacy over the military. The work was hard and the road the government and the Army had to walk to reach this point was lengthy, but the commitment that both institutions have with a democratic and unified Nicaragua, conquered distrust and [word indistinct].

We have also agreed on appointing the new commander in chief of our nation's Army before the end of the year, just as I have announced on several occasions. This appointment will be made on 21 December of this year. This means that following the conclusion of the two-month transition established in Article 9 of this code, the new commander will be sworn in on 21 February 1995, the centennial anniversary year of the birth of General Augusto Cesar Sandino, and on that day General Humberto Ortega will retire.

Dear Nicaraguans, on that 25 April I told you that Nicaragua was inviting us to bury not its children who die in fraticidal wars, but to bury, forever, weapons, so that the muzzles of cannons roar no more, as our National Anthem demands. The divided, poor, and

conflict-ridden Nicaragua we received on that day, is being left behind forever. Thank you.

Humberto Ortega on Efforts To Reorganize Army

PA1905011594 Managua Radio Nicaragua Network in Spanish 2318 GMT 18 May 94

[Speech by General Humberto Ortega, commander in chief of the Sandinist People's Army, at the National Unity Room of the Presidential House in Managua; broadcast in progress—live]

[Text] ...President of the Republic of Nicaragua, special guests, national and international media, Nicaraguan people:

As the president of the Republic has said, today we are concluding a period of hard work, during which we faced moments of tension. Basically, however, it was a period during which we learned a lot.

For all of us, today is a very important day. If we learned anything from this joint effort to give Nicaragua the national army our people have desired this century, it is that we cannot take these steps and accomplish these goals unless we work responsibly and with a spirit of unity and reconciliation, despite the difficulties. I believe this was the most important thing we learned during the period [four-second break in reception] President Chamorro [3-second break in reception] the commanders here present have learned.

Understanding is vital at this crucial time for Nicaragua's future; it is vital to eliminate the climate of conflict, it is vital to give ourselves an opportunity to show that we want to understand each other; we must show our good faith and our willingness to help Nicaragua. In that manner, we will bury once and for all the climate of mistrust that prevents us from taking the first step to build the national unity the majority of the Nicaraguan people so earnestly need. The Nicaraguan people are currently suffering the poverty resulting from more than a century of underdevelopment, backwardness, war, and misunderstandings. In sum, the Nicaraguan people have travelled down a very difficult path [words indistinct] at this time when other personalities such as Cardinal Miguel Obando y Bravo, Pablo Antonio Cuadra, and I have been trying to find venues of understanding, when only a few months ago some of us were receiving pensions.

I therefore believe these steps show that it is possible to get together and reach an understanding; to join efforts and attain specific results. This is what the Nicaraguan people expect from their leaders and authorities.

Today, on behalf of the Sandinist People's Army [EPS] I want to say that soon, through the Code of Military Organization, Jurisdiction, and Social Welfare, the EPS will become the national army we all want. It will be an army that, based on the necessary constitutional amendments, will have a name consonant with the new phase, while its current name will be historically recorded as an example [word indistinct] of its fundamental and patriotic values.

I believe that with the steps and actions we have taken we will truly help our fatherland move ahead. Thank you. [applause]

Chamorro To Introduce Military Bill to Assembly

PA1805202894 Managua Radio Nicaragua Network in Spanish 1200 GMT 18 May 94

[From the "This Morning" Newscast]

[Text] President Violeta Barrios de Chamorro today toured several municipalities in Masaya and Rivas where she inaugurated several judicial offices in San Juan de Oriente, Diria, Potosi, [word indistinct], and San Jorge.

At the end of her working tour, in San Jorge, President Chamorro spoke to the accompanying reporters and told them that the military bill will be presented to the Nicaraguan parliament today.

She also said that the list of three candidates for the Supreme Court justice position will be sent to the National Assembly this week.

Referring to the constitutional reforms, the president said that they are being studied and stressed that she wants true reforms, not a constituent assembly.

She was categorical in stating that lay education will continue and will remain unchanged; consequently, people cannot be asked to change their minds.

President Supports Former Venezuelan President Perez

PA1905035294 Mexico City NOTIMEX in Spanish 2113 GMT 18 May 94

[Text] Managua, 18 May (NOTIMEX)—An official source has reported that Nicaraguan President Violeta Chamorro today contacted former Venezuelan President Carlos Andres Perez to express her solidarity with him. A Presidency document states "Chamorro contacted Perez this morning to express her solidarity with and fondness for him."

The Venezuelan Supreme Court of Justice issued today in Caracas an arrest warrant for the former president as part of his trial for allegedly embezzling $17 million between 1989 and 1992. The Presidency communique recalled a message by Perez in which he said he "never" embezzled the secret $17 million fund, part of which reportedly was transferred to the current Nicaraguan Government to "reinforce democracy." Perez was impeached on 20 May 1993 when the Venezuelan court found sufficient evidence to try him for allegedly committing embezzlement.

Chamorro recently deemed the allegation that Perez financially supported her government "false," but she acknowledged the efforts of the former president to "defuse the spiral of warlike tension in Central America."

Recontra Leaders To Occupy Government Ministry Posts

PA1805233694 Managua BARRICADA in Spanish 17 May 94 p 10

[Report by Olivar Bodan]

[Text] "Recontra" Chiefs Jose Santos Rodriguez, alias "Cascabel," and Julio Cesar Benavides, alias "Pajarillo," whose men seized Quilali last Saturday, will occupy the posts of delegate and deputy delegate of the Government Ministry in San Rafael del Norte, Jinotega, according to an agreement reached yesterday in a meeting between rebel leaders and Government Minister Alfredo Mendieta.

Ranking National Police chiefs will hold a Commanders Council today, to study the government measures, which have sparked a negative response in the police ranks. "How are we going to be subordinate to criminals?" asked a source close to the institution.

Sergio Caramagna Valinotti, chief of the Support and Verification Commission (CIAV-OAS), who was present at the meeting between the ministers and the "recontra" leaders, reported they had also agreed to allow 11 "recontra" chieftains to reenter the Walter Mendoza Academy next Friday. The chieftains had abandoned the academy "to protest" the dismissal of "Cascabel" and "Pajarillo" from the police forces.

Murderers and Criminals [subhead]

According to the Information and Study Office, the National Police expelled the recontras because they were criminals and had deserted the police ranks. Furthermore, it denied that those men would return as "the functions of policeman and criminal do not coincide."

According to police files, the men under "Cascabel" set fire to two motorcycles and are the ones who murdered Captain Miguel Guido Quiroz, First Lieutenant Jose Agurcia Garcia, and soldiers Antonio Castillo Perez and Andres Zuniga, among other crimes.

Mendieta explained that the recontras who will reenter the forces will work at police stations in the northern part of the country and said it had been a "very satisfactory" meeting as it showed how Nicaragua had advanced to solve problems "peacefully and through dialogue." The meeting was not attended by any National Police representative. The meeting was held on the fifth floor of the Silvio Mayorga Building at 1100 yesterday morning. The recontras used Minister Mendieta's private elevator to get to the meeting.

Present at the meeting were Deputy Government Ministers Frank Cesar and Joaquin Lovo; Jose Angel Talavera, alias "Chacal," and his brother Esteban; and Mateo Guerrero, president of the Nicaraguan Human Rights Association (ANPDH). The members of the FN-3-80 [3-80 Northern Front] traveled to Managua expressly to meet with government officials after the recontras refused to talk with El Jicaro Police Chief Subcommander Marcos Ruiz last Sunday, to find a solution to the conflict.

Military sources have confirmed that the seizing of Quilali had been peaceful and that the rebels had not used weapons. The recontras held the town's main entry and exit points and the offices of Telcor, the municipality, the Agricultural and Livestock Ministry, and Ecodepa [expansion not known].

Sandinist Sergio Ramirez Views Congress, Issues

PA1805222394 Managua Radio Nicaragua Network in Spanish 1545 GMT 17 May 94

[Interview with Sergio Ramirez, Sandinist faction leader in the Nicaraguan National Assembly, by an unidentified reporter on the "Impact 620" program; monitored in progress—live]

[Text] [Reporter] ...that blame the Sandinists for the property situation in Nicaragua. A short while ago Daniel Ortega said he would return his house, but only to an organization dealing with the handicapped or to some sort of workers' movement, not to its original owner. Will the congress discuss the property issue? As a faction leader in the national parliament, you have studied the property problem.

[Ramirez] This is not on the congress' agenda. We will only discuss our political program, changes to our statutes, and the election of our authorities.

The property issue is of course on the National Assembly's agenda. As soon as we are through with the congress, I plan to look into this pending matter and what we call the Last Word on Property Law [Ley de Punto Final de la Propiedad], which are a group of laws, not just one law. We are going to propose in the National Assembly a law that deals with agricultural cooperatives, their land deeds or titles; a law that serves to regulate and protect workers' propriety rights, both in the city as well as in the fields; a law that will be called the property stabilization or property stability law; plus a revaluation law covering bonds that belong to those whose property was confiscated. I believe that this package of laws will help us resolve this very complicated property issue, which has no single solution, but instead several solutions.

My thoughts on this matter are that although some people were treated unfairly, there are others—which the government itself admits—whose property was confiscated fairly, for example the property belonging to the Somozas and those close to them. The finance minister has said that those whose properties were affected

becasue of their ties to the Somoza regime will not be entitled to any sort of return. There were other types of property reviews where obviously some people were treated unfairly. Nevetherless, that same property may have been occupied for 15 years by a cooperative, and no one would even consider evicting them, removing them to put someone else in their place. What the state has to do in such cases is to compensate these people. This has been done with bonds. The problem is that these bonds are not worth enough to satisfy the people who receive them, so now we will propose in the National Assembly a law to revalue these bonds and make them good for paying taxes and bank debts, for purchasing privatized corporations, and/or conducting various financial market operations. This will ensure that people who receive these bonds will feel more satisfied.

There are also property disputes that need to be discussed in the courts and not simply resolved by administrative rulings. The idea is to find stability, not at the expense of someone else or by a sector of the people—the poorest, the less fortunate—instead, that this be accomplished through fairness and justice.

[Reporter] Going back to the topic of Sandinist trends and with this special congress in mind, there are so many things, opinions, points of view on the FSLN. However, speaking of the trend that wants Sandinism to return to become a majority party, what would be the FSLN platform, guideline, or alternative for ensuring the return of Sandinism?

[Ramirez] First, we need a true political party. When I say a true political party I mean a party that does not fear voters. It was precisely in the 1987 Constitution, which was voted on when there was a Sandinist majority, where the succession of power was established through elections. In order for a party to return to power in Nicaragua or gain power, it has to win the elections through votes. This party has to therefore practice electoral proselytism. Some comrades in the party are a bit embarrassed—I say because of ideological prejudice—at this electoral nature that Sandinism must have. I am not saying that Sandinism should only be active during national election periods. I do not believe in parties that remain dormant for six years and when election time comes they awaken—these are electioneering parties. A party that stops defending those in our society who have the least—the most humble, the less fortunate, the jobless, peasants without land or those under threat of eviction—is a party that wants to regain political power through the control of land, Nicaragua's traditional means of political control. This also holds true for those who use small and medium-sized businesses to promote themselves. Sandinism must conduct constant political work to make people aware of their rights, their interests. This is what I mean when I speak of revolutionary parties that always work for the benefit of the great majorities—those who have the least, without discriminating against other seciors of society.

But, at the same time, thinking that a political party that believes its duty is to defend the interests of the vast majority and that it has to struggle every day for the interests of all sectors, the best way to watch over those interests is to put this in practice from a position of power, not from the opposition. Therefore, one must be part of the government and to become part of the government one must win the votes. It must be realized that a political party does not win the majority of votes until such time as a person enters the voting booth behind a curtain to cast his vote for a specific party. If the voter is not convinced at that time that he is voting for something, if previously he has not received the true message of expectation for the return of lost hopes, we will never obtain the majority of votes we need to return to power. We will not achieve this if we do not have a true, credible, and loyal message. I believe we have to go out and send the message again.

[Reporter] You have been described as a moderate. It is said that if one is moderate, one is not belligerent. To say, for example, that the FSLN's action in support of the workers' gains, or support for the true problems within society, or for economic problems, or to go out into the streets to stage a strike—that to a certain extent this harms the nation's development—well, if this is not being belligerent then it would be best to sit behind a desk and give orders instead of going out to the streets. What is your point of view on this? Do you think that to be belligerent, everyday actions must be taken into account?

[Ramirez] I know every inch of this country; I have been in many places throughout these 15 years. I have talked with all sectors; I have visited the most remote municipalities in the nation. I believe I understand the people's way of thinking. If someone asks me to interpret the feelings of the Nicaraguan people about the Legislative Assembly, or whether the people want war or violence—in my opinion, this is not the type of belligerence that the people want. Given the enormous economic crisis, with such a high rate of unemployment—in the countryside, in the poor Managua neighborhoods—what the people want is an opportunity to work. They want peace. They do not want to use weapons anymore. They do not want any more deaths. They do not want any more kidnappings. In Matagalpa, in Jinotega, what the people want is security. Their security is threatened every day by armed criminal gangs who kidnap, rob, kill, block traffic on the road, force people out of buses to rob and assault them—these people are armed for acts of revenge. What the people want is peace, security. They do not want any more war. This is what I interpret as my belligerence. My duty as a belligerent politician is to proclaim peace, but not peace with injustice.

Obviously I will never, never support someone who wants to recover his property by burning down the house, damaging the roof, poisoning the water supply so that cattle die, closing up the water wells—as happened in a violent eviction on the outskirts of Leon. I can never agree with these acts of violence that the law must

punish. What is sought is precisely that violence end, no matter its origin. We want to live in peace with security. The FSLN can't keep hailing violence just because certain sectors use violence; this would be a never-ending story. To the extent that we continue threatening the fragile peace the nation and the citizens are enjoying, with incorrect speeches, with violent speeches, calling for acts of revenge, we will not gain any votes; rather we will alienate them. These are my conclusions after my contacts with the Nicaraguan people, through my permanent dialogues with diverse sectors of society. This is why I reaffirm my conviction in my call for peace, call for reconciliation with justice, for a new society, for a democratic society in Nicaragua. This is what the people of Nicargua want.

[Reporter] How much truth is there in that within the FSLN, the rank and file will be taken into account [words indistinct] the communal movement, if only one sector of the society attends the assemblies—if of course he is member of the FSLN. For example, in Masaya an assembly has just been held, where I understand Henry Ruiz participated. Some leaders did not attend that assembly because they belong to the faction, the other faction, that is. How can one side know the other's position [words indistinct] if they do not sit down [words indistinct] make a decision through a democratic process [words indistinct] reach a conclusion? Maybe a consensus can be reached for presentation at the congress on the 20th. You, as representatives of the Sandinist faction that represent the majority, do you invite all to the demonstrations, to meet and talk about the FSLN's internal crisis?

[Ramirez] Well, about this so-called faction, we know that this is a majority that is not an organized faction, it does not have authority, it does not have a leader, it does not have a structure within the nation. It does not seek to be a party parallel to the FSLN. The [passage indistinct] was elected, where 150 Sandinist signed an agreement whereby [words indistinct] were established. I do not see this as [passage indistinct] the radio, the author of the anthem. [passage indistinct] The document was signed by the majority. I do not see [words indistinct] with people such as Ernesto Cardenal, our national poet who signed this document. Also Mario Flores Ortiz could be summoned, the founder of psychiatry in the nation, of great prestige in the medical sector, and one of the senior socialists of Nicaragua. [Words indistinct] the names of the 150 who signed the document, subsequently 500 more signed. There is a true tendency toward [words indistinct] that no one can disqualify. At this stage of the game to be calling as right wing the [words indistinct] Ernesto Cardenal or Mario Flores Ortiz, or [words indistinct], union leaders and all those socialists, is nothing more than nonsense. No one in this country believes in this type of language and in name calling.

[Words indistinct] we are not organized as a faction with a structure within the party. Therefore, everyone attends the meetings we call, debates have taken place as they should with the [words indistinct] if the current tendencies are correct this is discussed, if this is correct or not. I believe this is the proper way to wage a political debate. What has assembled us here in this process before the Congress, is the lack of the use of a democratic mechanism within the party. This results in serious mistakes being made. For example, there are two candidates for secretary general. The department heads, the political secretaries of the parties should be [word indistinct], both candidates should be given equal opportunities to appear before the national congress delegates, before the departmental congress delegates. They should be given the opportunity to talk to them. Otherwise, when a candidate goes to talk to an assembly, the others are not present because they might have been prohibited from attending. This is possible. Unclear mechanisms could be used to limit who attends. I believe this is a result of not practicing democracy.

From now on we should ensure there is more than one candidate for a public post from the FSLN ranks. There could be two, or three, or four candidates running for the same post. Now there are two, [words indistinct] could be more than two. They should be given the same opportunity to appear before FSLN audiences to present their own points of view. That is democracy.

[Reporter] Allow me, I do not know if in this case I am being naive [words indistinct], but talking a little about the reality that exists within the FSLN, [words indistinct] Carlos Mejia Godoy. When Carlos Mejia Godoy presented a composition written by Pablo Antonio Cuadra, it received harsh criticism. At the signing of [words indistinct] other document [words indistinct] the majority, were harshly criticized by the media. What is more, the same media that belong to the FSLN do not give space to persons who agreed with that position. So, do you believe that in the Congress this would be solved, or [words indistinct]? The truth is that they are not allowed to make use of the media. If they belong to the FSLN, undoubtedly the FSLN members should be allowed to use this media. What is your opinion on this?

[Ramirez] It would be difficult to respond in that same language [words indistinct], I will never fall into that trap. I believe that my duty is to speak in a lofty manner, to seek the consensus of all in the party, I will not respond to insults. I will not ask: Why are you insulting me, calling me right wing [passage indistinct], cannot sit with me at the same table, cannot be in the same party? I would be paving the way for my expulsion from the party. My duty is to be a Sandinist, my duty is to struggle within the ranks of my party, this is what I believe. I want my party to become a truly democratic force capable of winning the elections in 1996 and other elections in the future. I am going to struggle for a Sandinism that will [word indistinct] with Nicaraguan society, not a Sandinism that instills fear. I am going to struggle for a Sandinism in which true democratic forces can join to offer Nicaraguan society a true alternative of power in the nation. I want to struggle for a Sandinism that will not identify with irrational violent actions that

are not the legitimate defense of the people, of the dispossessed, of this nation's majority. This is the Sandinism I want, this is why I am inside the Sandinist party.

I am not going to be scared off because they say Sergio Ramirez has identified himself with the rich sector. This is a gross lie and outright slander. I do not possess any fortune, nor do I have anything against those who possess fortunes. I believe it is legitimate within this society, to work in the field one wants, accumulate capital, if one is honest.

[Reporter] [Words indistinct] what will happen after the Congress?

[Ramirez] I do not want to speak now about what will happen after the Congress. I think Sandinist unity should be sought.

I am in Sandinism because I believe in the majority. If I did not believe in the majority, I would be doing other things. I would have some business, a candy store, a shoe store, I would have apartments to rent, or a farm of 500 manzanas. I do not know what I would be doing if I did not feel that what I am doing in my party is politically right, because I want to turn my party into a winning force. We must defend the interests of the majority, which is what I believe in, and make that majority return to Sandinism. The truth is that the majority is not in Sandinism right now. The Sandinist Front is a minority party. That is what I believe.

[Reporter] This is "Impact 620." We are having problems with this line. Dr. Sergio Ramirez is here. I have three final questions. I had wanted to give listeners the opportunity to participate but due to the line problems, here are my questions which deal directly with the reality facing the Sandinist Front leaders in the National Directorate.

There are some who follow a slightly more modern line while others maintain a special position—a position is respected. For example, in the case of Commander Daniel Ortega, he is not the only option for secretary general of the Sandinst Front. Before you arrived, other people called to ask you whether you think he is the only option in the effort to maintain the Sandinist Front Secretariat and coordinate the party's decisions within the conglomerate of the party congress. It is said that the decisions are made by the conglomerate, not by a single person. But this is not shown in practice. He wants to continue being the Sandinist Front secretary. He no longer wants to be candidate because it is too early to talk about presidential candidates. He wants to continue as secretary, but he does not give the other viewpoints and positions in the Sandinist Front a chance, and for some time those positions have not been accepted. There are also the media and properties owned by the Sandinist Front to keep the party functioning. But most of those properties are managed by the circle that supports Commander Daniel Ortega's line. What do you think about this? If this continues in the next few months, there might really be a division within the Front.

[Ramirez] I think that Commander Daniel Ortega has every right to be a candidate for secretary general of the Sandinist Front. The Front's statutes do not prohibit reelection to the secretary generalship. Therefore, as a Sandinist Front militant, he has every right to be a candidate, just as Commander Henry Ruiz has every right. He has the same right to be a candidate for the secretary generalship and to be elected. They each have the right to address the Sandinist audience to attempt to show that each one is the best candidate and has the best proposal. The Sandinists have the right to hear them, to believe them or not. When the vote is held, congress delegates have the right to vote for one candidate or another. That is part of the democratic game in the Sandinist Front. Different candidates present themselves in pursuit of a position. Each promotes his candidacy, and congress delegates will vote secretly to elect the candidate of their choice.

Now then, if either of the two sides involved with these candidacies—Commander Ruiz has his followers and Commander Daniel Ortega has his—tries to disqualify the other, I think Commander Ruiz and Commander Ortega will be critical of those exclusions, discriminations, or disqualifications. I think that disqualifications would not help pave the way for unity in the Sandinist Front.

[Reporter] Now then, the Sandinist Front party is part of the Nicaraguan people, and the Nicaraguan people are experiencing a difficult economic situation. There is also the problem of the return of armed groups to civilian life. There is the issue of the ESAF [Enhanced Structural Adjustment Facility], the economic situation, and the search for aid. The Paris Club meeting is approaching. Yesterday there was a meeting with representatives of donor countries. What viewpoints does the Sandinist Front on the economic problem and the involvement of all sectors, whether they be Sandinists or not? The Sandinist Front must also contribute. It is said that the Front has not contributed to improving the Nicaraguan people's economic situation. There are strikes and disturbances. There is a vertical command structure which does not permit a consensus in resolving economic problems. Criticisms are sometimes voiced in the parliament. What are the Sandinist Front's viewpoints on the country's economic situation? What about the ESAF? What can you tell us?

[Ramirez] I think the Sandinist Front was very critical of the ESAF. The Sandinist Front has said the ESAF does not fulfill the Nicaraguan people's expectations for profound change in the economic model. I agree with those criticisms. I obviously agree with the position that the ESAF does not satisfy the needs of the most abandoned sectors as participants in the economy. I would like an economic program that first helps the new owners of land, the cooperatives, the individual owners who were members of the resistance, Sandinists, demobilized

Army soldiers, and demobilized members of the Government Ministry. Hundreds of thousands of manzanas have been distributed by the Sandinist revolution and the government of Mrs. Chamorro. They need credit, they need technical assistance, they need roads, they need markets, they need to begin to produce for the nation's benefit and that of thousands of peasant families that hold these lands and resources. Therefore, the economic program should be directed at favoring these emerging economic sectors. If we add up these thousands of producers and the thousands of manzanas they hold, we have there the actual production of food and agricultural products for the country. Therefore, there should be special plans for meeting the needs of these producers.

In terms of the economy, the country is not going to progress if only a minority benefits from the ESAF. I am not saying that this minority, which consists of large property owners and manufacturers, should be forgotten, but those thousands of small, medium-sized, and impoverished growers should also be taken into account. They are in dire need of low interest credit, technical assistance, seeds, and new markets for their products. Herein lies Nicaragua's future, among the small and medium-sized growers. I believe that the ESAF should be aimed at addressing the problems of this sector, and here I also include urban artisans, small and medium-sized businesses, and small industrial manufacturers. This sector includes the majority of the Nicaraguan people. Again, when I speak of a majority, I am referring to the term in the economic sense of benefits, not gratuities or giving away credit. I am not referring to that but saying that the time is ripe for the country's production to start to grow and for resources to be truly distributed.

[Words indistinct] Nicaragua to those who have less. We need an economic program that can result in a rapid drop in unemployment in Nicaragua. If every year we could produce 10,000, 20,000 or 30,000 jobs, we would actually see the benefits and the population's living standards would improve. But all these problems like criminal activity, child abuse, and efforts by the police to control the exponential increase in criminal activity are caused by unemployment. In addition, instability in rural areas is caused by a lack of economic stability, lack of credit, unemployment. This is all related to the economic crisis in Nicaragua.

At any rate, what do we have? In order for a program like this to be implemented, as the Sandinists are proposing, first we need to get into the government. We need votes in order to get into the government. If those votes cannot be secured, we will be speaking in merely theoretical terms because there is not much that can be done from the opposition camp to change an economic program. In this case, the only thing left would be to support the just union demands that are determined to change the economic program.

[Reporter] What's your opinion on forming coalitions or alliances with other political parties for the 1996 elections? On several occasions, I have even heard Arnoldo Aleman mention that there could be a conservative alliance in order to face the FSLN.

[Ramirez] I believe that during the 1996 elections there will be different types of alliances on both sides. In no way am I going to rule out that the FSLN will or will not form an alliance for the elections. But before we can talk about alliances, we must first clearly define what is going to take place within the FSLN as a political entity, and if we can arrive at a satisfactory agreement that will fulfill the expectations of any other party that wants to associate with us.

This is why the results of this upcoming weekend congress are very important. Whatever comes out of this congress will determine our image before Nicaraguan society. Whatever takes place during the congress will once and for all determine the FSLN's position for the 1996 elections. Once the congress adopts a political position, this cannot be changed until some time before the elections, during another congress and where we adopt another position. But the assurances and confidence we project during this congress will be decisive in the 1996 elections, with regard to potential allies as well as to society, which will have to choose between the FSLN and those political forces to select a government that will run Nicaragua as of 1996.

[Florentina Navarro, caller] Hello. Good morning. Is Dr. Sergio Ramirez speaking?

[Reporter] You are on the air. Come in, come in.

[Navarro] Dr. Sergio Ramirez Mercado? How are you? This is Florentina Navarro. I would like to ask you something. But first I wish to greet the congress and the lasting memory of our companeros Fabio Vega, German Pomares, Silvio Mayorga, Hernan Pomares, Silvio Buitrago, and all of the heros and martyrs, those who fell in Bocay and Pancasan, such as Faustino Ruiz and Zoilo Escobar. I hope their memory will last in unity in this congress, which is a congress of the people.

I want to ask Dr. Ramirez a question. In addition to the agenda, what other measures could be taken? As far as I remember, the first peace agreements were signed—one of them was Esquipulas—by the government, represented at the time by Commander Daniel, Dr. Sergio Ramirez, and other officials. They signed the agreements for peace we have been trying to attain. Other agreements and other documents were signed later.

Reading the Constitution, I find that the workers' only strategy of struggle is based on Article 103 of the Constitution, which recognizes the right to strike. This is a method for the workers' struggle, according to the Constitution. Other means of struggle, such as the right to create unions and respect for freedom of organization, are included in the Constitution. I think it is necessary to define in the Congress the nature of these legalized methods of struggle. We would also have to determine how true peace will be attained considering that there is no economic, social, or political stability.

One other thing, Dr. Ramirez. I have read nearly all of your writings and papers. I would like to know whether you have a socioeconomic plan for improving the country's situation. At a conference the other day, Dr. Francisco Solaina said that in Nicaragua there are no projects or economic policies that allow investments to crystallize in the country because of the absence of political or economic stability or security in society. It is necessary to devise a strategy to solve this situation [words indistinct] stability in the country.

My question deals with the economic situation in Nicaragua and whether what Dr. Lainez says is true, that in Nicaragua there is not even a set of projects or anything that could serve as the basis for an economic or social policy to solve the problems of unemployment and capital depletion. There has been much capital depletion for a long time. This is another factor, which not always is taken into consideration in opinion polls. At the congress, we have submitted a demand for an answer to the people's economic needs. It is necessary to change what some people describe as leadership and others describe in another way. What the people require are solutions to our problems, such as housing, education, health, and all of the services stipulated in the Constitution as the right of the Nicaraguan people.

[Ramirez] I appreciate Mrs. Navarro's call. Rather than a question, it has been a series of excellent remarks on the country's situation. The country requires an economic project like the one I have been trying to outline. It is necessary to think first of the large number of unemployed, those who must have the security afforded by land possession, who want to till the land. We must think of cooperative members, small- and medium-sized producers, small- and medium-sized industrialists and craftsmen, all of which comprise the majority of the population who want to participate in economic activities but are restricted by the crisis, who are not given bank loans, technical assistance, aid for production, new or repaired roads, etc. These needs would be met by a true socioeconomic plan for getting Nicaragua out of its economic crisis. National unemployment stands at 50 percent.

In addition, thousands of young people enter the labor market every year. These young people cannot find jobs [words indistinct]. Any economic project must first take into consideration these great dispossessed majorities of jobless and just walk the streets.

[Words indistinct] I also think that a socioeconomic plan which truly solves Nicaragua's social and economic problems cannot be sponsored by a single party. It is necessary to have a national agreement with the participation of unions and political parties. We must agree on medium- and long-term plans, which would change the course of the country development, ensure the country's economic stability while respecting other parties' ideas. If a government undoes what others did, if one privatizes while the other nationalizes, and then still others privatize again, we would go on and on trying unsuccessfully and the country would continue in crisis, chaos, and desperation.

[Reporter] Does that mean you agree with the Cosep [Higher Council of Private Enterprise] when it asked that a deal be struck so that those accords be kept in the years to come regardless of whichever government may be in office?

[Ramirez] I have been saying for a long time that we need a long-term accord that will take us beyond 2000 and give economic stability to the country, that we should all get in the same boat, and that regardless of the government that comes to power it should respect the guidelines or fundamental definitions contained in that plan. In that respect, (?Fidelina) is right in criticizing the lack of that economic program [words indistinct] that program must be the fruit of an accord among all the forces participating in the economy and in defining the country's political course. (?Fidelina) also asked about the methods of struggle, [words indistinct] are those allowed by the laws and the Constitution. The right to strike is a legitimate right. It is contained in the Constitution. Under the Constitution and the laws, workers have been guaranteed the use of their right to strike.

[Reporter] How about the method used?

[Ramirez] The method used is another matter. If a strike is implemented with armaments, rifles, and pistols, that does not fall within the parameters of the law. This is a topic of very intense discussion within the FSLN rank and file. Some say, if my house is being set on fire, why should I not defend myself? Why doesn't the judge see that? If the method used to evict someone from his house is to spill a gallon of gasoline in his home while his family is inside, that person, regardless of his political affiliation and regardless of who it is that is trying to evict him, whether thugs have been paid [word indistinct] violence to where he is resting at home with his children, the Criminal Code, the Constitution, recognizes the defense of legitimate self-defense. That is in the law. It is not illegal to defend oneself, if one watches others coming to disturb the peace of his house.

It is one thing to recognize what the laws state, and another thing to preach violence [words indistinct] this incites people, worsens [words indistinct], and will not bring peace, tranquility, stability to the country [words indistinct] violence, no matter where it comes from. Violence is not the domain of one side. Violence exists in different segments of society, and we must calm violence and abide by the laws and the Constitution, so we can create the necessary stability, we can have the investments that (?Fidelina) mentioned. So long as there is no peace and stability in the country, the economy will [words indistinct] there are no capital resources [words indistinct].

[Reporter] On this matter, could we reach a defined position on methods of struggle in the debates?

[Ramirez] That is in the agenda of the FSLN congress, a definition of the methods of struggle. That is one of the most important points we are going to discuss in the congress.

[Reporter] We have a caller here. Hello? Go ahead, please.

[Unidentified caller] Dr. Ramirez, some say that [words indistinct] between Commander Daniel Ortega and Dr. Sergio Ramirez Mercado is for show, and deep down you are united. Also, Commander Ortega said that no Sandinist will be a candidate for president in 1996. They will support someone else who [words indistinct] the revolution. If you run for president, what will your platform be? Another question is: The charges against Managua Mayor Arnoldo Aleman were temporarily dropped. Will it remain that way [words indistinct] so he may not be eligible to run in 1996?

[Reporter] Dr. Ramirez will answer.

[Ramirez] I have already heard some say that the political debate within the FSLN is for show. Skeptics believe the political division is for show. I would like to tell the person who called, he did not give his full name, and I did not ask him to identify himself, that I am participating seriously in this debate. This does not mean [words indistinct] trying to preserve any kind of personal enmity. I do not believe personal enmities are the way to resolve a political debate. There is no reason why I should be an enemy of Commander Daniel Ortega. We worked together for many years [words indistinct] turn into his enemy because we are speaking a different political language and because our political stances are different.

I do not regard the political debate in terms of an enmity. If I am not antagonistic toward people who have no political or ideological identification....

[Reporter interrupting] Even if they insult you?

[Ramirez] I have not been directly insulted. I must be honest in this respect. Even those who [words indistinct] I seek to convince them that if someone [words indistinct] and I have nothing to do with you, why should I participate in a political debate? I think that slurs disqualify the person who utters them, not the one who receives them. I think the Nicaraguan people and Nicaraguan society have enough political maturity to understand that slurs disqualify the persons who utter them.

If a convinced Sandinist, such as the woman who called me, expressed her thoughts, and accurately named all the heroes and martyrs—I remember her with a great deal of admiration and affection—if a woman like Mrs. Navarro who called earlier were to believe all those slurs against me, and all the insults and offenses uttered against me on the radio, which I repeat I [words indistinct], she would not be calling me here. She would not believe in me.

She gets into a dialogue with me and talks to me over the telephone because she respects me. For that reason, all those slurs have not made an impression on her heart, her mind, or her ears. That is why I am very pleased. I repeat, slurs disqualify those who utter them.

Now, I really do not agree with the view no Sandinist should begin to seek a presidential candidacy for the 1996 elections, and that we should seek a candidate outside the Sandinist ranks.

I believe that any party that says it does not have a suitable candidate to represent Nicaraguan society during a presidential election is a party that is defeated even before the election starts. If it says that it has to look for candidates outside [words indistinct] even Sandinists who are quite capable of participating in an election campaign and even winning. I am not going to [words indistinct], I have at least 10 Sandinists in mind who have the prestige and sufficient backing to be presidential candidates. Now, if after scrutinizing the FSLN ranks we can ascertain that there is no suitable candidate, then we have no other choice but to look outside the party. However, a party cannot start looking for its candidate from outside its rank and file because it is disqualifying itself from the beginning. This does not imply that I am saying that Sergio Ramirez should be considered simply because he is a Sandinist. If necessary, I am quite willing to stand in line with any list of candidates. My sole objective in life is not to be a presidential candidate, just as my sole objective is not to accumulate great wealth and assets. I am not going to feel distressed or spiteful, nor will I abandon the FSLN or go to the dogs, or lock myself in a dark room and brood just because I was not selected presidential candidate. No sir, that is not my sole objective in life. My objective in life is to change this society, for it to become more equitable, for it to have a better social security, and for resources to be distributed more evenly. I intend to continue struggling for this. In concluding, the issue about Mayor Aleman is currently in the courts. So far an appeal has been filed with the Supreme Court of Justice on the sentence issued by the Managua Appeals Court. This has to be solved in accordance with court decisions. I insist that the state of law must be strengthened, and will be strengthened insofar as it is possible for us to acknowledge the weight of the court's decision. I don't know what is going to happen, if the appeal will be received, or what repercussions will result from the Supreme Court of Justice accepting the appeal.

[Reporter] Please allow me to insist again. I believe that we have covered many issues during these 90 minutes. In reference to the exclusion matter, you mentioned that it would not seem appropriate for a situation of exclusion to take place within the FSLN or during the congress. Yet, there is a situation of exclusion taking place at this time. You yourself mentioned the radio stations that do not allow you time to express the views of a segment that specifically has some clout and strength within the party. [Words indistinct] if this continues to take place. Will the issue of the radio stations owned by FSLN members

be included in the Sandinist debates, or have you finally digested the fact that the radio stations are owned by private individuals?

[Ramirez] The problem is that I do believe that radio stations owned by the FSLN should allow equal time to those within the party who view things differently to express themselves. However, if someone tells me that a radio station such as Radio Ya, for example, is not [words indistinct] private property. In cases such as these, what can I do to get time on the radio if the owners are unwilling? Then, the only thing left for me to do is to approach the other stations that do allow me time. I believe that this is also part of the game of democracy. I am not going to file a lawsuit against a Radio Ya simply because they do not want to give me time. It's all a matter of taste, then....

[Reporter, interrupting] And also because the station is owned by private individuals.

[Ramirez] I would like a debate to take place in order to really determine how is it that these stations are owned by private individuals. I believe that is something that concerns mechanisms within the party itself which we must clarify as thoroughly and openly as possible.

[Reporter] I would like to [word indistinct] Henry Ruiz, who is running for the position of FSLN secretary general, and as a person who as treasurer has handled issues related to assets owned by the Sandinist Party. As such he is aware of what assets the FSLN has and what it does not. Then we now have Henry Ruiz as candidate and the other side says that he is the candidate of division.

[Ramirez] Henry Ruiz is FSLN treasurer. I have been present when he has delivered his financial reports and [words indistinct]. Radio Ya is not registered as one of the party's assets. BARRICADA and Radio Sandino are registered, but not this radio station. I believe that it is the party treasurer's responsibility if the party's list of assets suddenly does not appear. I want to be perfectly clear in that I am not going to make a big fuss simply because I am not allowed media time. Nor am I going to resign the party because I am not given sufficient media time. I intend to continue to struggle so that genuine democracy exists within the party.

[Reporter] We have now reached the end of this program and want to thank Dr. Sergio Ramirez Mercado for appearing on our "Impact 620" program. What is your message to FSLN followers and members and the Nicaraguan people about this congress?

[Ramirez] My message is to the congressmen. There are 500 congressmen from all over the country and the congress begins on Friday and ends on Sunday. I want to tell them that the FSLN's future is in their hands. They need to be aware that they will be responsible for deciding the FSLN's course. They are elected by the rank and file and their will should not be affected by any possible meddling. There is no party organization at the departmental or municipal level, no type of assembly, no small or large congress that can hold to ransom the will of the national congressmen. Their will is sovereign. They are not obligated to any sort of decision or previously agreed resolution by the party to vote a certain way for or against a certain resolution. Their wills, sovereignly expressed in Congress by raising their hand or by secret vote, is what will determine the fundamental decision that will guide the party over the next few years. This is why the conscience and vote of these congressmen is fundamental to defining the course the party will take. These congressmen must responsibly remember and keep fresh in their minds that they are the people who truly represent the FSLN's true will.

[Reporter] We want to thank Dr. Sergio Ramirez. We have requested TELCOR [Nicaraguan Telecommunications and Postal Services Institute] to improve some of our telephone lines because some are noisy and it is difficult to put the calls on the air. We hope that this is not the only time we have you here on this program. We are at your service with this station that has great coverage. With the massive participation of the people both Sandinists and non-Sandinists can express their views here.

Argentina

Menem Extends Control of Santiago del Estero

PY1705212894 Buenos Aires BUENOS AIRES HERALD in English 17 May 94 p 11

[Text] (NA-DYN)—President Carlos Menem signed a decree extending federal control of the province of Santiago del Estero until 10 days after next year's general election, local news agencies announced last night. Menem signed the executive order early this morning at Jorge Newbery Metropolitan airport before departing for the fourth Ibero-American Information Science and Law Congress in San Carlos de Bariloche.

Federal trustee Juan Schiaretti's tenure in Santiago del Estero was due to end yesterday under the original measure approved by Congress last December following several days of violent protest in the provincial capital. The President sent a bill to Congress last week but the body was unable to make quorum and thus Menem decided to resort to a decree.

Earlier yesterday, Santiago del Estero National Deputy Jose Luis Zavalia warned that the use of a decree could endanger the Radical-Justicialist Olivos Pact on constitutional reform because "federal takeovers must be ordered exclusively by Congress." The deputy accused Menem of extending federal control in order to take over the province's social security system and privatize public agencies "without adequate legislative control."

Di Tella Announces Menem Visit to Russia

PY1805150994 Madrid EFE in Spanish 1022 GMT 18 May 94

[Text] Moscow, 18 May (EFE)—Today, Argentine Foreign Minister Guido Di Tella announced Argentine President Carlos Menem's scheduled visit to Russia will take place in late October.

Di Tella, who will end his three-day visit today, pointed out that he and the Russian authorities set Menem's visit for late October, even though the actual date has yet to be determined. Di Tella is visiting Moscow at the invitation of his Russian counterpart, Andrey Kozyrev.

Di Tella, who will leave Moscow this afternoon for Buenos Aires, ended his stay with a lecture on the "New Argentina" at the Diplomatic Academy. High-ranking Russian diplomacy representatives, Diplomatic School students, and Latin American ambassadors were present at Di Tella's lecture. The foreign minister described a democratic and trustworthy Argentina at political and economic levels, an Argentina that hopes to join the first world.

Menem Opens Information Science, Law Congress

PY1705143994 Buenos Aires NOTICIAS ARGENTINAS in Spanish 0058 GMT 17 May 94

[Text] San Carlos de Bariloche, 16 May (NA)—Tonight, President Carlos Menem inaugurated here the Fourth Ibero-American Information Science and Law Congress, whose sessions will be held under the slogan "Quest for Integration."

The congress, sponsored by the Argentine Justice Ministry, has been described as being of national interest, and has gathered experts from America, Spain, Italy, and Belgium, among other countries.

This congress, which will hold sessions until 20 May, has been inspired by the issue of "the integration of Ibero-America." The four key issues of this congress are state reform, community law, the rights and liberties of individuals, and technological compatibility.

Upon inaugurating the sessions, Menem said: "It is essential to keep abreast through growth because it is not possible to grow and advance unless we prepare our communities." Menem emphasized: "Information is important, but communication is more important still. We cannot be free unless we abide by the laws, but wise laws."

For his part, Justice Minister Jorge Maiorano said at noon today: "If we assume that it is true that information science is linked to power, then we are astonished by the rapid changes." Maiorano also stressed: "Technological progress must serve human beings." He emphasized that "the use of information science for the benefit of humanity" is in the hands of the participants of this congress.

In addition to Menem and Maiorano, Rio Negro Vice Governor Edgardo Gagliardi and Bariloche Mayor Maria Severino de Costa, among other authorities, were present at the inauguration ceremony.

Highlights of 1994-96 Economic Plan Viewed

PY1405014094 Buenos Aires LA PRENSA in Spanish 13 May 94 p 6

[Text] The Economy Ministry estimates that in the period 1994-96, government spending will rise from $61 billion to $88 billion, and that a strong negative trade balance deficit will continue. It does, however, forecast that some 250,000 jobs will be created.

All these details are included in the estimates drafted by the Economy Ministry for the "A Growing Argentina 1994-96" plan, which was put together by the Economic Planning Secretariat. The principal points of this plan were partially disclosed by President Carlos Menem in his 1 May address to open the new session of Congress.

The plan envisages the objectives for the two-year period 1994-96. These are: to consolidate the achieved stability; to strengthen economic growth through an increase in investments, savings, and exports; and to promote higher levels of employment and a more equitable distribution of income at personal and regional levels.

Within the macroeconomic framework, the Economy Ministry forecasts that the Argentine economy will continue to grow in 1994, recording high levels of investment and an increase in exports.

In this regard, the plan estimates that with the considerable decline in relative prices, the renewal of a significant amount of reproducible capital, the incorporation of

technology, and the completion of major energy projects, the investment-output ratio will be enough to sustain high growth rates.

Later in the document, the economic team extrapolates that government expenditure will edge up 44 percent, especially in general administration and in the defense and justice portfolios.

Social government expenditure, which will total $51.014 billion this year, will rise to $57.375 billion in 1995 and to $63.417 billion in 1996. This will represent an increase from 18 to 18.8 percent of the GDP.

With regard to the consolidated government spending, however, the plan estimates that the new scheme for allocating resources will be enhanced in this period, thus resulting in an increase in government spending to meet constitutional requirements and social programs of approximately 4.8 and 11.5 percent respectively.

The plan, drawn up by the Economy Ministry, bases its predictions on the assumption that a fiscal balance and the soundness of public finances will be maintained; tax revenues will increase at an annual rate of approximately 17 percent; the privatization process will be concluded; the appropriation of financial resources for social programs will be given top priority; expenditures will be more equitably distributed; and investments will increase.

With regard to foreign trade, the report states that the trade balance will continue to show a deficit. It is estimated that the trade deficit will add up to $4.351 billion this year, $4.365 billion in 1995, and $3.604 billion in 1996.

It is thus estimated that exports will climb from $16.116 billion to $24.763 billion, while imports will rise from $23.888 billion to $29.968 billion.

The Economy Ministry considers that a recovery in trade began to be seen in 1993, and it extrapolates that by the year 2000 it will have expanded by 11 percent as compared with last year's figures.

The plan says that "it is only natural that imports should grow at a faster pace than exports in a country that has undergone so many changes." It speculates that the increase in international interest rates will lead to a decline in imports due to a shrinkage in available foreign savings.

Concerning employment, the economic team believes that the incorporation of capital goods into companies, labor flexibility, the reduction of the tax burden, the foreseen deregulation in the construction industry, and the enforcement of the Fiscal Pact will foster the creation of more jobs.

They estimate that 700,000 new jobs will be created between 1993 and 1996 in urban areas. In other words, the government's estimate is based on the premise that some 250,000 new jobs will be created every year during that period.

As for financial considerations, the plan underlines that the capital account of the balance of payments will attract $31 billion in the period 1994-96. It nonetheless foresees that there will be greater uncertainty in international markets and a decline in the inflow of foreign capital.

In conclusion, an increase in public investment in different areas is foreshadowed in the "A Growing Argentina 1994-96" plan. It also establishes a system of priorities: to promote projects aimed at the training of human resources from the low-income bracket; to develop programs and projects that contribute to enhancing the qualified labor force; and to channel investments into plans that envisage reducing regional imbalances.

The plan thus underlines that public investments at national, provincial, and municipal levels will total $6.7773 billion in 1994, representing 2.4 percent of GDP. This amount is to be supplemented with $3.086 billion to be invested by private companies in charge of public utilities.

Argentina's Total Government Spending (in billions of pesos)

Aim/Function	1992	1993	1994	1995	1996
Total expenditures	61.602	70.31	74.804	81.858	88.467
I. State's functioning	12.183	13.743	14.195	14.902	15.601
II. Social government spending, expenditures in human resources	38.241	45.382	51.014	57.375	63.417
III. Government expenditure in economic infrastructure and services	6.934	7.873	6.076	5.796	5.538
IV. Public debt	4.245	3.315	3.519	3.785	3.910

Projections for the Balance of Payments (in billions of pesos)

	1993	1994	1995	1996
Exports	16.116	18.377	21.332	24.763
goods	13.090	14.967	17.422	20.279
real services	3.026	3.409	3.910	4.485
Imports	-/n21.052	-/n23.888	-/n26.616	-/n28.968
goods	-/n16.786	-/n19.338	-/n21.787	-/n23.883
real services	-/n4.266	-/n4.550	-/n4.829	-/n5.085
Goods Balance	-/n3.696	-/n4.371	-/n4.365	-/n3.604
Real Services Balance	-/n1.240	-/n1.140	-/n919	-/n601
Goods and Real Services Balance	-/n4.936	-/n5.511	-/n5.284	-/n4.205

British Firm Plans To 'Plunder' Quebracho Wood

PY1605220694 Buenos Aires BUENOS AIRES HERALD in English 15 May 94 p 4

[Text] (DYN)—A British company—under the guise of carrying out important ecological work—is planning to plunder some 50,000 hectares of quebracho woods in the

province of Santiago del Estero without the permission of the Argentine state, according to a report from a local environmental group.

A complaint was lodged yesterday by the Cordoba FUNAM (Foundation for the Protection of the Environment) ecological group in conjunction with a fellow British group which said the woods, in the region of Moreno in the northeast of Santiago del Estero, would be in grave danger if no action was taken by the government to shelve the plans.

The British company, currently assessing the cost of the project, hopes to market the quebracho with the brand-name "AAA Hardwood." The work would be carried out in conjunction with the local Australian Argentine Agricultural (AAA) group.

"The project will be promoted by an ecological lobby as if it had come from a forest which had been exploited rationally," FUNAM President Raul Montenegro said. "In other words they will try to fabricate a green image."

The British company's plans, leaked to FUNAM last month, estimate that once work gets under way in Santiago del Estero, the company will be in a position to produce some 3.6 million metres of parquet, 13,901 tons of charcoal, and 30,000 tons of other fuel.

A probe into the affair has also discovered that a leading bank in the Federal Capital has offered to put up capital in order to fund the project.

Santiago del Estero forestry commission representatives have said they will fight the plans although they have not yet received precise details of the British company's intentions. Meanwhile the national government has made no comments on the case. The forests under threat are considered the most important of their type in Argentina.

Brazil

Troops Withdraw From Sao Paulo Police Buildings

PY1905005994 Rio de Janeiro Rede Globo Television in Portuguese 2300 GMT 18 May 94

[Text] A few minutes ago Army troops withdrew from the Federal Police [PF] premises in Sao Paulo. The order came from Brasilia after an agreement whereby the PF personnel, who have been on strike for 41 days, committed themselves to performing basic services.

Ricupero Orders Restructuring of Tax Office

PY1905025594 Rio de Janeiro O GLOBO in Portuguese 18 May 94 p 21

[Text] Brasilia—On 17 May, Finance Minister Rubens Ricupero authorized Osiris Lopes Filho, head of the Federal Revenue Secretariat [SRF], to implement an administrative restructuring of the SRF in stages. The SRF now will have an intelligence service charged with fighting tax evasion. Ricupero's decision represents a victory for Lopes Filho in his dispute with Finance Ministry executive secretary Clovis Carvalho, who has opposed the creation of new positions of trust.

During the first stage, 580 new positions will be created at a cost of 300,000 Real Value Units (URV's) monthly to fill four new coordinating offices. The original SRF proposal envisioned the creation of 2,000 positions at a cost of 1.2 million URV's monthly.

The following coordinating offices will be created: Fiscal Intelligence, which will be charged with fighting tax evasion; Customs Assessment, which will identify cases of undercharging of export products or overcharging of import items; Classification and Nomenclature, which will monitor the technological evolution of products; and Auditing and Correction, which will oversee internal operations.

Furthermore, 18 special offices will be charged with appraising the taxable wealth of taxpayers in court hearings, in addition to their regular assessment duties. The SRF signed an $80 million contract with the Inter-American Development Bank to create automated regional centers to become self-sufficient in data processing operations.

Lopes Filho welcomed Ricupero's decision, which he characterized as "recognition of the significant role played by the SRF." The project that appears to be most exciting for him is the creation of the intelligence service. He said: The SRF now will have instruments to fight tax evasion crimes.

Free Convertibility of Real to Dollar Ruled Out

PY1905010194 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 18 May 94 p B3

[Article by Suely Caldas]

[Text] The upcoming elections and the possibility that Workers Party presidential candidate Luis Inacio Lula da Silva may win them have made the government fall back from its initial idea to allow the free conversion of reals for dollars, using its $37 billion exchange reserves for this. The idea was, like in the case of Argentina, to allow the freedom to exchange one real for $1 as of 1 July. This would give credibility to the new currency given that the government would guarantee the exchange with its reserves. That was the idea conceived by the economic team last September when it began preparing the Real Plan, an idea that prevailed until a few months ago.

Now, during the first months of the year, the elections have turned up as a real factor in the political scene, as well as all the variables and alternatives that could take place in case the government insisted on its idea of free conversion. Thus, the economic team began to think about the measure's consequences and then retracted it. The greatest difficulty was the certainty that the elections would interrupt the economic plan's continuity and a

new administration might change its guidelines or simply revoke the plan, as indicated during the election campaign.

Lula's growing popularity has reinforced the economic team's decision to retreat from its initial idea. During his campaign, Lula will certainly try to mark a difference with Fernando Henrique Cardoso in the field in which the Brazilian Social Democracy Party candidate has the greatest advantage—the economic plan—by creating an atmosphere of uncertainty regarding its future. What is more, the most important aspect is that the economic agents believe that Lula may somehow freeze the domestic debt, a fear that will be reinforced if, in keeping with its prevailing trend, the PT's campaign propaganda is to promise to take action against the fast and profitable enrichment of banks in the past few years. If the government decided to allow free conversion of reals for dollars, it would seriously run the risk of seeing its exchange reserves diminish quickly as people rushed for dollars in order to avoid having their financial assets frozen [confisco]. The consequence of such an action would be an exchange crisis worse than that which took place at the end of the Cruzado Plan when Brazil had to declare a moratorium on its debt.

Lula To Restrict 'Speculative' Foreign Capital

PY1905015194 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 18 May 94 p B3

[Article by Nelson Luiz de Oliveira in Brasilia]

[Text] A government led by Luis Inacio Lula da Silva would no longer allow the monthly entry of nearly $1 billion into the country. This is the average foreign capital brought into the country by investors for speculative operations, namely in stock markets. On 17 May in remarks to Radio CBN, Lula said that if elected, he would allow only foreign capital that is intended for creating jobs. After lunching with foreign executives in Sao Paulo, Lula said: "It will be up to the Central Bank [BC] to define which investment is speculative."

According to BC figures, $19.7 billion was brought into the country from 1990 to 1993 for purchasing stocks and for investments in the financial market. The monthly average of foreign capital brought into the country for this purpose in 1993 stood at $1.2 billion. A total of $3.9 billion was brought in during the first two months of 1994.

In August, then-Finance Minister Fernando Henrique Cardoso, who is now a presidential candidate, took measures to stem the inflow of foreign capital, which already was exerting pressure on the issuance of Brazilian currency. Institutional investors (pension funds, insurance companies, and others) were channeling large resources not only into stock markets but also into fixed income investments. The latter were then excluded from stock market operations and subjected to an Financial Operations Tax surcharge.

Securities and Exchange Commission (CVM) sources conveyed their surprise over Lula's remarks. Stock markets would be strongly affected by restrictive measures. They believe it will be difficult to define which operations by institutional foreign investors are speculative. Normally, the amount of capital that leaves the country monthly after obtaining profits accounts for 40 percent of the incoming capital.

CVM sources fear that Lula would allow only direct investments. These investments totaled $3.4 billion from 1990 to 1993 and $481 million during the first two months of 1994.

Proposes 'Social Pact' To Fight Inflation

PY1905004294 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 18 May 94 p A6

[Article by Lucia Helena Gazzola]

[Text] Workers Party [PT] presidential candidate Luis Inacio Lula da Silva on 17 May announced that the PT has decided to promote a social pact, which would be called "social accord," to fight inflation. Lula made the disclosure to 52 executives from large foreign groups during a luncheon in Sao Paulo. He said: "Inflation in Brazil is not fueled by demand; rather, it is a political problem. The way to reduce it gradually, effectively, and lastingly is through a social pact among workers, business people, and the government. Our government will be based on such an agreement because inflation will decline only when this agreement is achieved." The idea of a pact is not new. It was tried under the government of Jose Sarney by then-Labor Minister Almir Pazzianotto, but it was not endorsed by either the PT or the Sole Workers Center, the trade union closest to the PT.

As an example of the type of agreement he wants, Lula cited the pact concluded two years ago by business people, workers, and government in the car industry that resulted in tax cuts for the industry and job security for workers. After noting that the eight administrations that have ruled the country since 1985 have not succeeded in curbing inflation, but rather provoked losses to workers, Lula said: "We have to start by bringing inflation under social control." He added that it also will become necessary "to introduce changes" to oligopolies and the financial system, to guarantee investment in productive activities, and to fight corruption in state-owned banks so they will no longer be used as "backup coffers" and that "domestic debt can be rescheduled so the state can count on funds for investments."

Lula went as far as responding to questions by business people about how a socialist party plans to attract foreign capital. He said: "Capital has neither fatherland nor ideology. No businessman who has invested in China has questioned the Chinese Government about the Tiananmen Square massacre." Lula stated that investors would respond positively if his government assured them that they would obtain profits. He added that, to

this end, it will suffice to "slightly increase" the purchasing power of all Brazilians. He said: "If we achieve this, the consumer market will be such that you will be interested in investing here."

The business people also expressed concern about the closed nature of the Brazilian economy and about the fact that the PT opposes the privatization of state-owned companies. Making it clear that he is not in favor of opening up the economy, Lula said: "Open borders sound good in speeches, but in practice every country has mechanisms to defend its market and products." He announced that the PT will maintain a state monopoly over petroleum and telecommunications but will promote concessions to the private sector in other areas. Showing that he is against privatization, Lula said: "But instead of trying to buy the existing state-owned companies, why do you not try to build railroad tracks and roads and many other much-needed projects in Brazil"?

The business people come from various countries, the United States, Canada, Germany, Netherlands, Japan, Korea, and Australia, among others, and represent large groups such as IBM, Mitsubishi Bank, Nippon Telegraph and Telephone, AT&T, and Eastman Kodak, among others. They are attending a master's degree program of the Massachuset Institute of Technology, which promoted similar visits to Chile and Argentina, where they met President Carlos Menem, and Mexico. In Brazil, they also are scheduled to meet economists Persio Arida and Andre Lara Resende to learn about the economic proposal of Fernando Henrique Cardoso, the Brazilian Social Democracy Party's presidential candidate.

Government Illegally Spends $4 Billion in 1994

94SM0346D Brasilia CORREIO BRAZILIENSE in Portuguese 19 Apr 94 p 11

[Article by Vanda Celia: "Government Spends $4 Billion Illegally"]

[Text] President Itamar Franco and 16 ministers of state spent a total of $3.9 trillion cruzeiros—the equivalent of approximately $4 billion—illegally in January, February, and March of this year. The Congressional Joint Commission on the Budget, working through its technical staff, is conducting a study of the irregular expenditures that the government is making with no legal basis whatever.

Federal Deputy Paulo Bernardo (PT [Workers Party], Parana), who made the initial calculations regarding those expenditures, will address the Chamber of Deputies today to denounce Itamar and the ministers for exceeding the appropriations in the General Budget of the Union. The deputy also intends to send an official letter requesting explanations by the ministers and President Itamar Franco.

The president and the ministers responsible for irregular budget spending can be punished for crimes of responsibility. Such crimes are covered by the Constitution and by two other laws dealing with public administration. But Deputy Bernardo does not believe that Congress has the political will to demand enforcement of the law. "The budget issue is a policing issue because the administration thinks the legislative branch is 'the house of Mother Joan' [meaning not known]," he said.

According to the law—Provisional Measure No. 396—the government is to spend one-twelfth of the budget appropriations. Excepted from that rule are budgeted expenditures for personnel, social security contributions, welfare benefits, debt service, and scholarships, teaching manuals, and benefits for government employees, including medical and dental care, as well as expenditures financed by funds originating in external credit operations and their respective counterpart funds. Any other expenditures, excluding subprojects and subactivities that were not already under way in 1993, must not exceed one-twelfth of the amount provided in the budget.

Illegal Spending (in real cruzeiros)

Ministry or department	Cruzeiros
Min. of Agriculture	15.3 billion
Min. of Education	24.9 billion
Min. of Social Security	97.9 billion
Min. of Justice	1.8million
Min. of Transport	362 million
Min. of Industry, Commerce, Tourism	3.9 billion
Min. of Health	1.2 billion
Min. of Finance	3.7trillion
Min. of Army	3.7 billion
Min. of Navy	9.2 billion
Min. of Aeronautics	1.1 billion
Min. of Science and Technology	5.7 billion
Min. of Mines and Energy	277 million
Min. of Regional Integration	255.9million
Min. of Environment	122.3million
Secretariat of Strategic Affairs	3.0 billion
Federal Senate	938,000
Office of the President	549 million
Grand total	3.9trillion

Even Planalto Palace Ignores Law

The current budget law, for which President Itamar Franco is responsible, is being ignored even by Planalto Palace, according to the study conducted by the Federal Integrated Financial Management System (Siafi). In addition to what was allowed, the Office of the President of the Republic spent $549 million cruzeiros on the Armed Forces General Staff and the Brazilian Communication Company.

"The government issued a provisional measure to regulate those expenditures, but even it is not capable of

obeying that measure," Deputy Bernardo complained. The congressman feels that President Itamar Franco has an obligation to see to it that the ministers explain themselves to the National Congress.

Responding to a request from another PT deputy, Jose Paulo Pires (Minas Gerais), the Budget Commission's technical staff is also investigating the reasons why the administration overstepped the amounts established in the provisional measure on the budget. "We still do not know how much was spent in total, but we are asking the ministries to supply us with data on that subject," said the chief of the Budget and Financial Oversight Staff, Francisco de Paulo Schettini. Some ministries are reporting that they did not overspend, but spent only what was appropriated—although that explanation is not being accepted in Congress—on the grounds that "appropriation" means that public money has already been committed, according to the Budget Commission.

Personality, Goals of Finance Minister Viewed

94SM0344A Sao Paulo in Portuguese 13 Apr 94 pp 26-27

[Article: "Now There Is a Crusade in Defense of the Real"]

[Text] **Ricupero is a fervent Catholic but likes a good fight. In his opinion, the desire to avoid conflict serves only to delay change.**

So the man is Rubens Ricupero, a practicing Catholic whom many Brazilians first got to know under unusual circumstances: a foot-washing ceremony during Holy Week. His first statement upon being named minister of finance brought good news. "Spending is banned," he said, repeating the famous phrase by former President Tancredo Neves. Chances seem good that the ban is genuine. "As an admirer of Saint Thomas Aquinas, Ricupero will find it very difficult to lie," says Deputy Delfim Netto. "Lying is not a sin in Marxism, but to Saint Thomas it is a capital offense."

Hours before being sworn in in the vast reception hall on the third floor of Planalto Palace, Ricupero told Nely Caixeta, EXAME's editor in Brasilia, what was going through his head. Here is some of what he said:

The Fernando Henrique Cardoso-2 Plan: "It is the first plan in Brazilian history to be concerned with ensuring smooth operations during the first year of the following administration. We want to have everything solved by 1995, but without the structural reforms now pending, it will be difficult to ensure the success of the plan."

Inflation: "Without stability and balance in the public accounts, there is no salvation. Why is it that in Latin America, we are the only ones who have not managed to eliminate inflation? Is it because we have a kind of genetic flaw or is it because our institutions and, basically, the Constitution render us incapable of making decisions?"

Privatization: "This is an issue we cannot avoid. The fact is that in coming years, the government-owned firms are going to require very big investments. But the government has no way of investing because it stopped saving a long time ago."

Wages: "The idea of a wage trigger makes no sense whatever because it means betting that the plan will fail. Look at those proposals for raising the minimum wage to $100. Who is going to pay the salaries for the municipality of Sao Raimundo Nonato in southern Piaui? Deputy Paulo Paim?"

Elections: "It is in the interest of all the candidates that the stabilization program be successful. Anyone gambling on the idea that the worse things are the better is going to inherit a probably ungovernable country. It will be a Pyrrhic victory."

Employment: "First of all, it is necessary to eliminate inflation, because employment is the result of investment. We also must reduce the costs imposed by legislation and create incentives to generate well-paid jobs."

"Personal crusade": It is ideas like those that have made Ricupero's appointment a welcome one. "I have confidence in the minister, and I hope he will be able to implement the economic plan," says Carlos Eduardo Moreira Ferreira, president of the Sao Paulo State Federation of Industries. "He is a serious man and a competent politician." For his part, Ricupero claims that his intention is to continue with the plan, work with the team set up by Fernando Henrique, and combat inflation. "The plan will work if every citizen and every member of the administration views it as a personal crusade," he says.

The minister's objective is to clear the path as soon as possible for the adoption and consolidation of the real. Issues such as privatization, for example, will probably not receive his immediate attention, although Ricupero agrees that the government-owned firms need to change hands. While the economic team holds internal debates on the best time to introduce the new currency and the mechanisms it will adopt for stabilization and conversion, Ricupero is preparing to negotiate with the National Congress. On the immediate agenda is approval of this year's budget and of the provisional measure creating the real. The minister also wants to breathe new life into constitutional reform, which is threatening, as it blunders from one obstacle to the next, to turn into one of the biggest fiascoes in the history of the legislative branch. By the beginning of January, when he relinquishes his post to the minister appointed by the next administration, Ricupero hopes to leave office with the new currency consolidated, the budget coordinated, and inflation down.

Replacing a minister like Fernando Henrique will not be an easy task for this descendant of Italian immigrants who was born in Bras, Sao Paulo, and likes to listen to chamber music by Mahler or Brahms. After all, his predecessor was able to leave office to the sound of

applause even though the figures reflecting his time in office were not favorable. The country was growing by 4.5 percent per year when Fernando Henrique took over the ministry, but has now slowed to 2.5 percent per year. During that same period, annual inflation jumped from 2,700 percent to 7,200 percent. "If I, Delfim, or Simonsen had gotten the country into that situation, we most certainly would have been flayed on the public square," says Deputy and former Minister Roberto Campos. Delfim Netto agrees, saying: "What is most incredible is that the National Confederation of Industry and Brazilian Federation of Banks approve."

Affable, a good storyteller, and regarded as the best official in the Ministry of Foreign Affairs, he impresses his listeners with his knowledge of contemporary Brazilian and foreign problems, especially those in the area of international trade. He has served abroad for a total of 20 years. Like Fernando Henrique, Ricupero possesses a solid humanist background. In Brasilia, where he lives in one of the two mansions still owned by the government on the Peninsula of Ministers on South Lake, he follows the custom of another former minister of finance, Marcilio Marques Moreira. On Sunday mornings, he attends the mass celebrated at the Sao Bento Monastery. Alongside his wife Marisa, a teacher to whom he has been married for 33 years, he sings Gregorian chants in Latin. To obtain an interview with the minister, reporter Angela Coronel of EXAME's Brasilia office had to go to great lengths. Angela attended the Maundy Thursday Mass at the monastery at Ricupero's side. She then accompanied him in the procession that followed. Finally, an interview was arranged, and as they parted, Ricupero said: "This country needs God."

Impulsiveness: Ricupero seems to be the typical official cut out for government service: one of those people who try to acquit themselves well on any mission, whether as the country's representative at GATT in Geneva, as ambassador to Washington, or—it is hoped—as minister of finance. He regards as pointless the warnings that he will have to get along with a president of the republic who is given to impulsive behavior. "Our thinking coincides," he says, citing as proof his support for Itamar during the episode in connection with the conversion of salaries to URV's [real units of value] in the judicial branch. He saw nothing wrong in the president's demonstrated willingness to stand up to the Supreme Court justices. "There is something in Brazilian culture that makes people dread facing up to conflicts," Ricupero says. "It is that desire to avoid conflict which caused us to be the last country to abolish slavery and which is hampering changes such as those represented by constitutional revision." Although using different words, Ricupero is thereby endorsing one of the most revealing ideas held by the former prime minister of Great Britain, Margaret Thatcher, regarding the art of governing: the idea that consensus is the negation of leadership.

Immigrating Russian Scientists Adjust to Lifestyle

94SM0344B Sao Paulo in Portuguese 13 Apr 94 p 43

[Article by Francisco Alves Filho and Peter Moon: "Tropical Paradise"]

[Text] Russian scientists "imported" by the CNP [National Research Council] are testing life in Brazil and approving of it. Now they want to stay.

Scientists have no fatherland and science belongs to humanity. Those two maxims are taken literally by the over 40 professors and researchers who have settled in Brazil over the past two years. Bankrolled by scholarships from the National Research Council, they are gradually adapting to the daily routine at Brazilian universities and losing the suspicion that the assignment would be no more than a brief experiment involving half a dozen nobodies. They are optimistic and seem to have forgotten the meaning of the term "goska"—the feeling that we usually describe as "homesickness" or "nostalgia"—when they talk about the possibility of returning to Russia. They want to stay in our country as long as they have the opportunity to work.

The distance separating Brazil from a country where professors are paid a dignified salary is the same as that separating Rio de Janeiro from Moscow. Be that as it may, it must indeed be impossible to feel nostalgic about jobs paying an average of $80 per month. Physicist Gregory Surdutovich, 56, was one of the first to arrive. He landed in Brazil in January 1992, impelled by the political instability and drastic cut in science budgets in Russia. Deteriorating conditions were causing salaries to plummet. Despite the shortcomings, he believes that Brazilian research can be improved. "The climate in the Brazilian scientific area today resembles that in my country 35 years ago," says Surdutovich, who is studying the pressure of light on atoms at the Sao Carlos campus of the University of Sao Paulo (USP). Artur Elfimov, 50, the leader of a group of five Russian experts on plasma physics working at the Rio de Janeiro State University (UERJ), agrees. "If the administrators really give their support, this country will be able to make up for lost time in several areas of knowledge," he believes.

The researchers are a varied group. Galina Pugacheva and Anatoliy Gusev of the Campinas State University (Unicamp) are studying anomalies in the Brazilian magnetic field. Those phenomena cause the number of lightning flashes in our atmosphere to be 50 percent higher than anywhere else on the planet. Five other Russian scientists are assigned to work at the North Fluminense State University (UENF), which was opened on Monday 28 March. They are interested in producing synthetic diamonds. Under a plan by Senator Darcy Ribeiro (PDT [Democratic Labor Party], Rio de Janeiro), the UENF's mentor, another 15 researchers from the former Soviet Republic [as published] will soon join the team.

In the opinion of many people, "importing" Russian scientists means saving time and money. "Training a professional at that level requires at least eight years of heavy investment at a cost that is never below $200,000," says Carlos Augusto Azevedo, head of the Department of Quantum Electronics at the UERJ. "Moreover, it will not take a long time for the work of these researchers to produce results," he adds. "That immigration has already yielded excellent results for us," says Oscar Hipolito, director of the Institute of Physics and Chemistry at the Sao Carlos campus of the USP.

But all that enthusiasm comes up against an obstacle: the law prohibiting the hiring of foreigners as government employees. That restriction, detested by the scientific community, has made it necessary for the Russian scientists to stay here as visiting professors on one- to two-year scholarships that pay from $1,000 to $2,000 per month. Rectors and professors are attacking the ban on the basis of the constitutional principle of university autonomy. Their arguments began bearing fruit with the recruitment of physicist Dmitri Gitma, who was hired by the USP in 1992 after passing a competitive examination.

Gitma is an exception, however. All the other Russian researchers are here on scholarships, and many of them are experiencing an additional difficulty in order to teach in Brazil: inflation. Physicist Irina Potapenko of the UERJ left Russia two years ago. Her salary, like that of state employees, is adjusted according to the dollar rate every three months. "I live in an apartment provided by the university. But even so, the lag in pay means that there is only enough money for the upkeep fees and survival." Although her pay is eaten up by rising prices, she admits that she is satisfied with her work and is not thinking of leaving the country. When people draw her attention to legal and economic difficulties, she answers with the smile of someone who is already beginning to understand the Brazilian soul: "Take it easy! After all, Brazil is ours."

Laud University Facilities

94SM0346E Sao Paulo FOLHA DE SAO PAULO in Portuguese 17 Apr 94 p 4-3

[Article: "Russian Scientists Laud Brazilian Universities"]

[Text] There is a country where the universities have enough advanced computers and possess well-equipped laboratories and it is easy to make scientific contacts abroad through computerized communication networks.

That country is Brazil, and the universities are Sao Paulo's three state universities: the USP [University of Sao Paulo], Unicamp [Campinas State University], and Unesp [Sao Paulo State University], according to Russian researchers who have come here to work. At least that is the opinion of five physicists and chemists who participated in last Thursday's debate on "Russian researchers in Brazil." The debate was sponsored by FOLHA DE SAO PAULO and coordinated by the retired professor of Russian language and literature at the University of Sao Paulo.

During the debate, the Russian scientists made it a point to emphasize that they are not exiles who fled their country. They were invited by Brazilian laboratories in their fields of interest and publish articles in international scientific periodicals. In addition, there were instances in which specific features of Brazil made the invitation more attractive to the scientists.

Petr Melnikov, for example, a visiting professor of inorganic chemistry at Unesp, came from Moscow University to continue his research regarding rare earths, a group of chemical elements with metallic properties, some of which are used in alloys. According to Melnikov, not only are those elements abundant in Brazil, but research in that field is advanced in our country.

While praising the laboratories and the availability of computers, the scientists say they would like to return to Russia if working conditions were good, and this in spite of some bitter experiences. Physicist Galina Pugachev says that members of her institute were forced by the Communist Party to harvest wheat in Kazakhstan in order not to lose their jobs.

Galina, who is at Unicamp studying anomalies in the magnetic field—typical over Brazil—says that although she has few colleagues in that area around here, she can talk to researchers abroad by computer.

"In three minutes, I receive answers from American colleagues to my questions on the computers at my university," says Galina. Her husband, Anatoliy Gusev, says the equipment in the nuclear physics lab at Unicamp is better than that at many U.S. universities.

Besides good working conditions, the participants in the debate drew attention to features common to academic work in both Brazil and Russia. The level of students is similar, as is freedom in the style of research—Brazilians and Russians are both "looser" than Americans, who are more rigid in orientation.

According to physicist Gregory Surdutovich of the Sao Carlos campus of the USP, evaluation procedures are also similar. "There is not a lot of checking either there or here in comparison with the United States, and I like that. I got tired of seeing people making out deceitful productivity reports. Scientific activity needs to be measured by other parameters," he explained.

Chile

Llaima Volcano Erupts, Emergency Declared

PY1805000794 Madrid EFE in Spanish 1637 GMT 17 May 94

[Text] Santiago, 17 May (EFE)—Chilean officials reported today that the Llaima volcano in the Andes mountain range in the Chilean region of Araucania has

erupted with great intensity; therefore, a state of emergency has been declared in that region.

The volcano, which is located 700 km south of Santiago at an altitude of 3,125 meters, is making underground noise, its smoke is reaching a height of 8,000 meters, and lava can be seen in its cone.

This information was confirmed by Ninth Region Intendant Oscar Eltit, who said a state of emergency has been declared in the area around the volcano, especially in Vilcun, San Patricio, Cherquenco, Melipeuco, and Caracautin in the direction of Temuco.

It also has been reported that Carabineros and the Air Force sent helicopters to overfly the area.

A team made up of geologists and emergency office personnel also have left for an on-site evaluation of nearby settlements, although no decision has been made yet on an evacuation.

According to information from the area, the smoke reaching 8,000 meters is moving east toward Argentina.

Chile, which is located in the so-called Pacific fire belt, has 2,085 volcanoes, of which 55 are active, and has an average of one eruption every eight months.

The most recent eruptions include the Hudson and Lascar volcanoes, which affected settlements in southern and northern Chile, respectively. In the case of the Lascar volcano, its ashes and smoke reached several countries, especially Argentina.

Croatia's Granic Interviewed

PY1905004494 Santiago EL MERCURIO in Spanish 8 May 94 p D32

[Interview with Mate Granic, "Croatian foreign minister and vice president," by Maria Isabel Seguel; place and date not given]

[Text] [Seguel] What is a foreign minister of a nation at war doing visiting a small country the other side of the world?

[Granic] Croatia is no longer just a country at war. Only 25 percent of our territory is still occupied, to be more precise under the control of the United Nations. We signed cease-fire agreements with the local Serb authorities and we expect to hold the second round of negotiations regarding economic issues and the return of refugees, and then begin political negotiations.

Croatia is a very stable and democratic country. It has the most stable economy in the entire region. Our inflation will not go over 12 percent. Croatia expects a reasonably good tourist season. We are also in a full process of privatization.

[Seguel] I am even more confused over why you are in Chile.

[Granic] Because Chile was one of the first countries to recognize Croatia. Also because our economic relations are very good. The most important reason is to explain the current situation of my country which could be and wants to be the door to Eastern Europe and an opportunity for investments. Some Chilean-Croats have already bought companies in Croatia, like Mr. Luksic who bought the second largest brewery in our country.

[Seguel] While there is a conflict, it is cheap to buy. Are you saying the war will end soon?

[Granic] That is not easy to say. The most important thing will be future negotiations regarding a final agreement, and all the economic issues that will certainly be discussed with the local Serb authorities.

[Seguel] How difficult was it for you to negotiate with the Serbs taking into account their terrible image as aggressors, according to the international media?

[Granic] It has been very difficult right from the start but still the negotiation continues to be the cheapest way for the peaceful reintegration of the zones under UN control in Croatia's legal system.

[Seguel] What was your most difficult moment during the negotiations?

[Granic] There were two difficult moments. The negotiations with the local Serb authorities and the negotiations with the Armed Forces of the former Yugoslavia for exchanging prisoners.

[Seguel] Why do you believe the Serbs continue the policy of occupying the territory? Will it be costly to them in terms of image in the future?

[Granic] It is an unreasonable policy in the long-term and in the short-term it is also costly because its economy is in ruins. Serbia is absolutely isolated and it believes the more territory it has at the time of the negotiations the stronger its position will be.

[Seguel] What is your basic rule for negotiations?

[Granic] The main thing is that the zones under UN control return to Croatia. We are ready to discuss the rights of the minorities, the ethnic communities, and local autonomy. We are willing to accept international supervision. Croatia will accept negotiations with Serb-Croatian authorities regarding future local autonomy as well as guarantees for minorities, but we are not willing to negotiate our borders.

[Seguel] There seems to be more people who want the war to continue than those who advocate peace.

[Granic] The future negotiations will include talks on the demarcation between the Bosnian Federation (Muslims and Croats together) and the Serbs, and the type of association between the Serbs and the federation because we will ask the Serbs to join the federation. I believe the Serbs will refuse. I believe the problem of demarcation

relates to the percentage of the territory we talked about. The Serbs now have control over 70 percent of it and we have proposed 51 percent for the federation and 49 percent for the Serbs.

[Seguel] And what did they answer?

[Granic] They proposed no more than 47 percent for the federation and the Muslims proposed 60 percent. Another important problem here will be the corridor the Serbs will probably attack soon. It is also very important to prevent that Serbian offensive.

[Seguel] So you already know how the war will continue....

[Granic] It is simple. But let us go on, the Serbs have placed some conditions on signing a total cease fire and the start of negotiations, such as lifting economic sanctions. This is why it is necessary more than ever to keep the pressure on the Serbs very firm.

[Seguel] Why does it seem that when the aggressor is so clearly identified, the international community cannot act or does not want to act with more force?

[Granic] This is the question the people on the streets in Croatia ask. There are two basic reasons. On one side there were the different interests of the great powers and on the other side there is the brutal Serbian aggressiveness. Probably, there has never been anything similar in the history of Europe. The decisions by both the European and international community came late and they did not serve or they were not implemented with enough decision. The Serbian aggression should have been stopped and prevented in Vukovar, when a Croatian city that was under siege for two full months was continuously bombed. At that time, 2,000 people were killed. And in the harshest 72 hours, 2,500 people were killed. Had the international community acted then, it is possible that the conflict would have developed in Bosnia-Herzegovina.

[Seguel] Did you expect or were you surprised by the attack on Gorazde?

[Granic] I was only surprised at its brutality. This was unreasonable for the Serbs to do because, looking at it from a reasonable manner, the only path the Serbs have ahead is the path of negotiations and to seek a peaceful end to the war in Bosnia.

[Seguel] If you were not surprised by the attack on Gorazde and if you could predict what the Serbs will do, what other surprises can the international community expect?

[Granic] The plans of the Serbs are quite clear. Their strategic interests are, first, to widen the corridor in the Brcko zone. Other interests include the Muslim settlements in the eastern part of Bosnia and in Bihac. All this depends exclusively on the international community. In other words, if the international community shows enough firmness in its decision to get the Serbs to negotiate and also to get the Muslims, who are the most threatened, to join in. Regarding the Republic of Croatia, we will support the agreements signed in Washington and this means the installation of the Federation of Muslims and Croats in Bosnia-Herzegovina. We will support solutions leading to cease-fire in the region. We will support the pressures exerted on the Serbs to make them join the negotiations.

[Seguel] Do you like to negotiate, or are you tired of it?

[Granic] Yes, I like it. In addition to the negotiations that I have already mentioned, in which I was the chief Croatian negotiator, I also headed the group that negotiated with the Muslims. The are still plenty of negotiations to carry out and it is tiring work. I believe the Washington agreements were the best success so far. I would be the happiest person in the world if I could finish everything this year because I would prevent a lot of human suffering. So many atrocities have been committed and there have been so many victims that I believe we should all do everything possible to end it.

[Seguel] Has this war helped you to understand matters that made no sense during Tito's Yugoslavia?

[Granic] During the Tito years, especially in 1974 when the current Constitution was proclaimed, he was strongly sensitive to the topic of nationalism in Yugoslavia. He kept Serb nationalism under control, and he also controlled the economy. All types of contradictions emerged after Tito, like the aggressive Serb nationalism that sought a great Serbia, and of course the resistance of the others.

The presidents of Slovenia and Croatia proposed a confederation before the war. This was rejected by the Serbs. Now there is absolutely no chance of any type of union between the Serbs and Croats. We can only be neighbors.

[Seguel] What will you do after the war? Will you return to being a doctor or continue as a negotiator?

[Granic] I have become so deeply enmeshed in political life that it will be very difficult for me to return to the medical profession. The end of the war is currently my motivation, as are the development of democratic institutions, European relations and integration, and participation in the creation of a modern democratic state.

[Seguel] Are all parties in Croatia in agreement regarding the progress of negotiations?

[Granic] All parties agree regarding the negotiations with the Muslims. As for the Serbs, the opposition parties do not agree because they are against any type of negotiation unless Serbia publicly recognizes the Republic of Croatia. We also want Serbia to do this, but it is our belief that it must be a mutual recognition, and this can be achieved step by step. There is also the matter of economic cooperation, but for this to occur there must be a restoration of communications by road, rail, and the

restoration of the oil pipeline system. The return of refugees, or displaced persons, and that of "the external states" are also important.

Talking about the opposition, they are convinced that they could carry out privatizations much better than the party that is in power. But this is a part of democracy, and we are aware of some errors we have made, but we believe Croatia is a stable country.

[Seguel] Could you put on a doctor's smock and diagnose the sick patient in front of you (Yugoslavia)?

[Granic] Without resolving the complex situation in which Yugoslavia finds itself there can be no peace solution for Croatia. A peaceful solution cannot be achieved without strong and firm assistance from the international community. Then there is the question of how, at the same time, to resolve the problem of Bosnia-Herzegovina and the zones in Croatia that are protected by the United Nations. These are two fundamental problems. Of course, the international community still has the problem of resolving stability in Macedonia, it still has to ensure the autonomy of Kosovo, human rights problems, ethnic problems, and the rights of the national minorities that live in Serbia, especially those of the Croats. It must also solve the question of the system of regional security.

In sum, a sick patient that needs a multipurpose team to help it recover, including a long convalescence.

Reversal of Peruvian Court Ruling Sought

PY1805141894 Madrid EFE in Spanish 2313 GMT 17 May 94

[Text] Santiago, 17 May (EFE)—The Chilean Government is making all kinds of legal efforts to reverse a ruling of "treason to the fatherland" that a Peruvian military court handed down against three Chilean citizens, who were sentenced to life imprisonment for being involved in terrorist activities.

Foreign Minister Carlos Figueroa reported today that the Chilean Government has asked the attorneys defending the three Chileans in Peru to file an appeal for annulment of the case, and transfer it to civil courts.

The Chilean Government is making efforts to have the Chileans tried for terrorist crimes and not for the crime of "treason to the fatherland," as determined by a Peruvian military court, a crime that involves life imprisonment sentences.

The Chilean Foreign Ministry has repeatedly expressed that it is not appropriate to apply to foreign citizens the crime of "treason to the fatherland," a legal classification that the Peruvian law includes to punish terrorism crimes.

Chileans Jaime Castillo Petruzzi, Maria Concepcion Pincheira, Lautaro Mellado, and Alejandro Astorga 10 days ago received final confirmation of their sentences to life imprisonment, with one year of incommunicado status.

Explaining the Chilean stance on this issue a few days ago, the foreign minister noted that the claim filed with the Peruvian authorities does not in any way represent a weakness toward terrorism.

Figueroa Favors Whale Sanctuary in Antarctica

PY1805141994 Madrid EFE in Spanish 2306 GMT 17 May 94

[Text] Santiago, 17 May (EFE)—Chilean Foreign Minister Carlos Figueroa noted today that Chile agrees with the establishment of a sanctuary for the protection of whales in the southern hemisphere, but located south of latitude 60 degrees, at the so-called Antarctic convergence.

Minister Figueroa explained that the Chilean stance is slightly different from the French position, which establishes a whale sanctuary from 40 degrees latitude south to Antarctica, including Chilean waters from the city of Valdivia, 835 km south of Santiago, to Cape Horn, at 56 degrees latitude south.

The foreign minister emphasized that Chile wants to explain at the next International Whale Commission (IWC) meeting, scheduled in Puerto Vallarta (Mexico) from 23 to 27 May, a "consistent" position with respect to the four sea treaties or conventions that it has signed.

Chile has signed conventions on the sea, on the sea bed, and on high seas fishing, as well as a treaty on territorial seas.

The foreign minister noted that Chile has banned whale hunting within its 200-mile territorial waters. He therefore indicated that our country "has already initiated unilateral protection of this resource."

The foreign minister confirmed that Chile is willing to sign a broad multilateral agreement to protect whale species. He noted that there are fairly advanced studies on the situation of the ecosystem at the abovementioned Antarctic convergence.

Representatives of the "Greenpeace" ecological organization in Chile delivered on 11 May to the president of the Republic, Eduardo Frei, a petition with more than 300,000 signatures supporting the establishment of a sanctuary for the last whale populations in the South Pacific.

According to data supplied by this ecological organization, more than 1 million whales have been hunted down over the past 80 years, and the "blue whale," the largest whale species on our planet at 32 meters long and 100 metric tons in weight, has been particularly affected.

Colombia

Pastrana Makes Campaign Statement

PA1805201994 Santa Fe de Bogota Inravision Television Cadena 1 in Spanish 1800 GMT 17 May 94

[Statement by Andres Pastrana, presidential candidate of the Conservative Party; place and date not given—live or recorded]

[Text] Good afternoon. I am going to speak sincerely and directly, face to face with you, about the changes I will make if you elect me as your president on 29 May. I am going to tell you about my plans to make Colombia a nation of opportunities where we can be sure of getting a good education, being able to walk the streets safely, and finding a decent job.

Studies have been under way for quite some time now to determine the causes of the problems faced by Colombian society today. No one has had the courage to admit that real change begins by recovering the family unit. We all have the right to belong to a family in which we can learn the right values and principles and develop a sense of coexistence and solidarity. It is essential to protect the development of our children, to guide our youths, and to aid our parents in their role. If parents do not know how to feed and educate their children, if we cannot satisfy their basic needs, if the least little illness becomes life threatening, if there is no roof over their head, that family will be devoured by frustration, resentment, conflict, uncertainty, and neglect. I say this clearly, and you know it is so. That is how many, a great many Colombians live.

Real social policy comes from an understanding of family problems. That is why I insist on education. All parents know their child is intelligent. They dream of a better world for their offspring and know that if they can get an education it will guarantee their future and they will not be forced to live a life of deprivation.

Education. Knowledge will be the main asset of the 21st century. It is our guarantee for looking toward the future with optimism. It is the only source of security we can leave our children without worrying about someone taking it away from them. Alas, there are many children who will never get an education. There are too many who have not been given the master key to be someone and to make their mark. That is not fair. We cannot pay the parents of this country for their efforts with the pain of seeing their child denied the right to a future.

My great purpose, my great dream, my great pledge is for every Colombian child to go to school and get an education. We must not deny anyone this first opportunity, which will allow us to live in a better society. The wisdom of the street says a stitch in time saves nine. If our children get an education, we will no longer see the painful sight of the street children [gamines], the junior hit man, the army of small fries selling candy or cigarettes at traffic lights.

There will be education during my administration because I want a future. Those who do not understand this do not want to solve the problem but to perpetuate it. I am determined to end this conflict once and for all. It is impossible for those who have only experienced rejection to be on the side of peace, solidarity, coexistence, or democracy. To do this I will become a constant ally of the nation's parents. I will be an ally for the teachers who choose to ride with us on this crusade for guaranteed education. This education must be comprehensive and high-quality. Let us teach our parents to be good parents and our teachers to be excellent teachers. We cannot fool our children, parents, and society with poor education. It is not fair for parents to invest their resources in something that will not help their children live better lives. There is a painful relationship between lack of education and unemployment. There is another painful relationship between poor education and poor employment.

A second demand pertains to personal safety and the recovery of our right to live without fear. We must not let ourselves be cornered. We must recover public places for Colombians. We cannot live happily while wondering if our children will make it home, if father or mother will be robbed, or if our children are safe while we are at work. One cannot conceive of a government that is incapable of guaranteeing security, peace, and peace of mind for its citizens in their daily lives. Murder and assault are on the rise, as are burglary, mugging, and car theft. Every day we feel crime getting closer. Today the victim is just someone we know; tomorrow it could be a neighbor, a relative, or—God forbid—our own children. As I see it, there is a painful relationship between a community that arms itself and government inefficiency.

The former governments have mistakenly believed that guerrillas and narcotraffickers are the only ones who deserve attention from the state, thus neglecting daily security. That is why I have proposed the creation of a specialized group, so that just as groups that counter guerrillas, kidnappings, and narcotrafficking, it can dedicate itself to dismantling and breaking up, once and for all, the mafia of common criminals, who disrupt the citizens' tranquillity in the country's main cities.

It is critical that we support the prosecutor general's work to definitively eliminate impunity. Nothing is more infuriating or frustrating than to see crimes go unpunished and criminals mocking their victims because they know they will not be punished. Even worse is the scenario where a victim, the citizen, is mistreated by a bureaucratized, inoperative, and inefficient justice system. For example, a citizen files charges and fails to recover stolen goods but must fear retribution from the thief he identified. We must guarantee citizens that they will receive prompt and full justice through fair punishment of the criminal.

Our personal safety is now jeopardized by the Constitutional Court's ruling on the legality of specific drug quantities for personal use. This is unacceptable and

inconceivable. We cannot allow them to bury our dream of a better Colombia. As a parent, I cannot accept this and you cannot either because we want healthy children and young people. I do not want those who represent our future to fall under the effects of narcotics. I will not allow them to murder our future. I do not want to see the criminal selling drugs or killing our efforts to restore values, family, education, and everyday safety. No to drugs! I have always said this and will always say it: I will not budge!

I am not one of those who today says no to the court's decision but who yesterday was one of the ones who proposed legalization. Or do they believe that the marijuana of 15 years ago was less harmful than the kind consumed in the streets today? What nonsense! No to drugs! Following the legalization of the personal dosage comes the legalization of drug trafficking. Let us not be mistaken about that. In this struggle against the killers of our future, we have paid a high price in lives, kidnappings, and grief. That cost will not be fruitless. No parent who really loves his children, no teacher who values his students, no Colombian who thinks about Colombia can agree with those who favor legalization. I will not permit it.

In the same vein, I want to be clear and categorical: The guerrillas are the ones who declared war on Colombians. The state is responsible for protecting the lives, honor, and property of all Colombians. I will therefore support the military and police forces in their relentless pursuit of those who insist on undermining the institutions and attacking Colombians.

I have told the subversives that we Colombians want to know what they want. We must consider their needs, but that should not be construed as a sign of weakness. It is an opportunity for them to voice their concerns. They are already aware of the vigorous position the next government will assume in enforcing respect for the state of law.

I vigorously reiterate that I am not willing to hold a dialogue for the sake of holding a dialogue. I am willing to negotiate personally once I know in print what the guerrillas want. If they decide not to speak clearly to the Colombians, we will continue to enforce the law to the letter throughout the country without indulgences or concessions.

I am also convinced that the economy is not an end in itself but a means, if properly used, to help us improve the well-being of all Colombians.

Some people believe that economic development pertains only to large industries. Employment and companies, employment and production, employment and education go hand in hand. A good business policy is also a good employment policy. A policy that favors production must also favor employment. A policy of quality production generates quality jobs and demands quality education.

I have this in mind when I say that I profess and defend a social market economy because it must produce social effects that are reflected in more and better jobs, in better salaries that allow workers and their families to lead dignified, carefree lives, in high-quality production, in access to adequate markets, and in the procurement of an efficient social security system that will promote health and guarantee the futures of senior citizens.

I admire personal initiative. Colombians have the imagination and intelligence to assess and overcome difficulties. They can dream because we are capable of accomplishing things. That is why Colombians cannot be made promises based on the politics of the past. They cannot be thrilled by vain promises that do not tell them how these things will be done. I want to make a pledge to you, a serious commitment: We are going to strive to make work in rural areas profitable; to use personal and community initiatives to create small and intermediate companies. To achieve it, there must be sufficient, inexpensive, and timely loans so those who want to expand their businesses can do so. Any endeavor will fail when there is no initial capital. In my government, there will be loans so peasants can plant again. There will be loans so small and intermediate businesses can produce more and better quality products. There will be loans for family-owned businesses and for production and marketing cooperatives; there will be loans for new businesses.

I am certain that as we begin our efforts, the first thing we will produce is employment. Employment is not magic. It does not emerge from words but from the decision to produce more. You and I must realize that Colombia can grow hand in hand with the people, your hand in mine. We are living in a great time and we are not going to squander it. Let us consolidate the economy. Let us diversify the productive sector. Let us endeavor to produce quality products so we are more competitive and will therefore have better jobs.

Colombians are capable people, and together we will achieve our goals. I will stimulate the financial sector so we can offer loans to those who need them most. We must build highways in the villages so peasants can reach the market with their goods. There is nothing to be gained by producing something only to watch it go to waste. We must build highways, railroads, ports, and airports so our top-quality products can exit through the door of economic opening.

We can do it. We have to do it. An economy that is well administered and oriented is a wonderful instrument of the common good. Employment and production are two sides of the same coin. I will make the change you are waiting for. This is not merely a matter of social sensitivity but of social intelligence. Women and young people play a major leadership role in all these endeavors. Colombian women must know they will have equality in education and equality in the labor force not just in terms of opportunities but in terms of wages. We cannot continue to accept the fact that at the end of the

20th century, women are still earning lower wages. They will have equality in terms of loans and leadership. I am saying this clearly so there is no room for confusion. We cannot go on tossing Colombia's elderly into some attic as if they were old furniture. What kind of society is it that complains of poverty yet does not take advantage of its wealth, experience, accumulated knowledge, and learned abilities? Retiring should not be synonymous with dying but with being useful to society in another dimension that deserves our full support in terms of quantity and efficiency.

I have always said this thinking of you. When we are young we still have time to do big things. The time for making a major decision has come. Colombia will bear the fruits of that decision. Our children will be grateful for the wisdom of that decision. It is a decision that we must make and that holds for Colombia the scope of its hope, a hope I am ready to turn into a reality as president. Thank you.

Pastrana Support Drops; Samper Holds Steady

PA1905143794 Santa Fe de Bogota Emisoras Caracol Network in Spanish 1200 GMT 18 May 94

[From "Caracol's 0600 to 0900" newscast]

[Text] Here are the results of the latest poll by the National Consulting Center, CNC, conducted at the request of the Bavaria company. The poll was conducted between 10 and 12 May among people over 18 living in the country's urban areas. The polling firm visited 25 municipalities. Methodology of the sample: random, stratified, and [word indistinct] in homes. The interview was conducted in person with sample ballots. Number interviewed: 2,290. Margin of error: 2.7 percent.

The CNC conducted 1,050 interviews in big cities, 640 in medium-sized cities, and 600 in small cities. Let us see in what big cities it conducted the interviews: 400 in Santa Fe de Bogota; 200 in Medellin; 150 in Barranquilla; 100 in Bucaramanga. As for medium-sized cities: 80 in each of the following cities: Tunja, Monteria, Girardot, Neiva, Santa Marta, Pasto, Pereira, and Cartago. As for small cities: 50 in each of the following: La Ceja, Galapa, Carmen de Bolivar, Chiquinquira, [words indistinct], Santander de Quilichao, Chia, Macao, Pamplona, Espinal, and Buga.

In the poll, which was contracted by Bavaria and which Caracol learned about last night, CNC asked the 2,290 people surveyed in 25 municipalities whether they plan to vote in the May presidential elections. Fifty-eight percent replied definitely yes, 17 percent replied probably yes, 7 percent probably not, 18 percent definitely no. No one refrained from replying.

CNC asked: Which candidate on the ballot will you vote for in the presidential election? Forty-seven percent for Ernesto Samper Pizano, 40 percent for Andres Pastrana Arango, 4 percent for Antonio Navarro Wolff, 2 percent for Miguel Alfredo Maza Marquez, 2 percent for Enrique Parejo Gonzalez, 1 percent for Regina Betancur, and 1 percent for Miguel Antonio Zamora Avila. The rest of the 18 candidates did not get even 1 percent. Three percent of those polled did not indicate their choice.

Let us look at the previous CNC poll. It was conducted between 29 April and 3 May in 59 municipalities, with a 1.7 percent margin of error. Forty-seven percent said they would vote for Samper. In the current poll, 47 percent said they would vote for Samper. There is no change.

In the previous poll, 44 percent said they would vote for Pastrana. On this occasion, only 40 percent said they would vote for Pastrana. According to the CNC poll, Pastrana has lost 4 percentage points in the last 10 days. In the previous poll, 3 percent said they would vote for Navarro Wolff. In the current poll, 4 percent said they would for Navarro Wolff.

In the last poll, 1 percent would vote for Maza Marquez while in the current one, 2 percent said they would vote for him. In the past poll, Parejo Gonzalez received 1 percent of the support while in the current poll, 2 percent. In the previous poll, Regina Betancur received 1 percent, and in the current one she also received 1 percent. No other candidate received at least 1 percent in the previous poll. In this poll, Zamora Avila received 1 percent.

EL TIEMPO Sponsors 'Boring' Samper-Pastrana Debate

PA1805174894 Santa Fe de Bogota Inravision Television Canal A Network in Spanish 0250 GMT 18 May 94

[Passages within quotation marks recorded]

[Text] In contrast to Thursday's [12 May] debate, which was reportedly disorganized, the presidential candidates' debate, according to today's edition of EL TIEMPO, was restrained and boring—it was really no debate. Perhaps the biggest mistake was having two candidates who want to run the country speaking for 90 minutes on how to manage Bogota.

The debate began with a warning by the host.

[Unidentified speaker] "We continue to be Liberals, will be Liberals, and will vote Liberal."

More than a debate, it was an exposition of ideas. Controversy was nonexistent. The candidates' proposals, even though they were not the same, were so similar that the only way to tell them apart was their suits.

[Samper] "I pledge to double the number of policemen in Bogota."

[Pastrana] "Finally, to increase the number of policemen. From now until the end of the century we must create 300,000 new jobs for policemen."

Commenting on the mayor of Bogota, they both commented on how he should be above party interests. Both committed themselves to expanding Bogota's highway

program. They seemed divided on the issue of financing the subway, but Pastrana admitted that the nation must contribute to this. They were so alike that they both had the same answer when asked how they were different.

[Samper] "I think I have much more specific proposals on city and public security issues."

[Pastrana] "I think I was more specific on the topic of security."

The newsmen explained why there was no real debate.

[First unidentified reporter] "It was a presentation of ideas, rather than a debate. There was no controversy."

[Second unidentified reporter] "Yes, it appeared to be an exposition of ideas. They appear to be speaking the same language and have absolutely minimal differences."

[Third unidentified reporter] "Yes, they really did not define their differences."

Some people said the debate was so cold that it made them sleepy.

Coffee Growers Satisfied With Prices

PA1705212794 Santa Fe de Bogota Emisoras Caracol Network in Spanish 1200 GMT 17 May 94

[Text] Manizales—The National Coffee Growers Association received with satisfaction and moderate optimism the report that coffee prices had closed at $1.45 a pound on international coffee markets.

The Association believes the government should take advantage of those circumstance to adjust coffee prices to a point more equitable than that existing when the world quota agreement was interrupted.

Association sources reported Finance Minister Rudolf Hommes as saying that if this price holds for at least 30 days, the government would consider a new adjustment.

In addition, the Cooperative of Caldas Coffee Growers has reported a drop in local reserves and that the marketing of the mid-season crop has been reduced by 500,000 arrobas compared to the same period last year.

Roundup of Economic Developments

PA1705230394

[Editorial Report] The following is a compilation of reports on economic developments monitored through 17 May.

Colombian sugar exports increased 27.7 percent in 1993 while sugar production fell 0.33 percent. This drop meant that 1.833 million tons of sugar were produced in 1993 compared to 1.839 tons in 1992. (Santa Fe de Bogota EL TIEMPO in Spanish 7 May 94 p 3B)

As of 12 May, 125 kg of coffee will be sold at a price of 132,000 pesos, which constitutes a 10-percent increase over the former price. The National Committee of Coffee-Growers agreed on this price readjustment on 11 May. The increase obtained will give the National Coffee Fund additional revenues of 70 billion pesos. (Santa Fe de Bogota Emisoras Caracol Network in Spanish 1200 GMT 12 May 94)

The financial system continues to have liquidity problems. The interbanking rate dropped to 35-percent annually. Savings accounts are growing at an average rate of 44-percent. An increase in imports has helped increase the current dollar exchange price to 841 pesos. Interest rates are stable. The inflation rate for the first trimester of 1994 has been around 12 percent. (Santa Fe de Bogota EL TIEMPO in Spanish 15 May 94 p 2B)

Ecuador

Peasants, Indians Protest Agrarian Reform

PA1805233994 Mexico City NOTIMEX in Spanish 2112 GMT 17 May 94

[Text] Quito, 17 May (NOTIMEX)—Today, Ecuadoran peasants and Indians took over a provincial cathedral and blocked roads to protest an agricultural structuring bill presented to the parliament by President Sixto Duran-Ballen. The Confederation of Indian Nationalities of Ecuador (Conaie), which declared a 48-hour strike beginning on 18 May, also reject the governmental plan, which must be studied by the (unicameral) Congress this week.

Local authorities confirmed a large number of protesters peacefully occupied the Ibarra Cathedral this morning in the capital of Imbabura Province, 75 km from Quito. The peasants and Indians presented a manifesto asking the church to mediate to ensure the government withdraws its agrarian restructuring plan. They reported the government is trying to implement a "privatization wave" and "to eliminate the right to own land, the communal properties of the Indian peoples, and the agrarian reform law."

In this document, the protesters demanded the deputies reject the governmental project, because it is "unconstitutional and antidemocratic and represents the interests of a small group of large landowners."

Meanwhile, members of the Imbabura Indian and Peasant Federation and other similar organizations blocked the roads in the northern part of the country. The police maintained they controlled the protests without any incidents. The Conaie followed through on its call to hold a number of protests on 18 and 19 May. The Indian and peasant organizations that oppose the agrarian project even warned they would promote an "uprising" that could halt the country. Obstructing the transportation of products from the countryside to the cities, blocking roads, and staging nationwide street protests are among the first actions of the "preventive" event organized by Conaie. The protests include a gathering in front of the National Congress in Quito.

The main Ecuadoran workers union, the United Workers Front (FUT), the Teachers National Union,

and student and public employees organizations today announced they will support the Indian and peasant uprising.

The National Congress, which must issue a ruling at the latest on 19 May, must analyze the controversial agrarian project. Meanwhile, the Duran-Ballen administration stated it will go on with the modernization project and warned it will take the necessary steps to maintain peace and order in the country.

Government Pays $25 Million in Overdue Interest

PA1905011694 Quito Voz de los Andes in Spanish 2300 GMT 17 May 94

[From "The Voz Andes Newscast"]

[Text] Today, Ecuador paid international banks the first $25 million of overdue interest, thus beginning to comply with an agreement whereby this amount must be paid two weeks after the refinancing announcement was made on 3 May. Government sources said that another $25 million, equivalent to $5 million monthly for overdue interest from January to May, will be disbursed in three days. The amount is due before Friday.

Two weeks ago, the Ecuadoran Government agreed to refinance the country's commercial debt of $7.5 billion over a 30-year period with a 15-percent write off with banks. This operation will make it possible for the country to refinance its debt with the Paris Club and other lending organizations.

Ecuador's total debt borders on $13 billion, Latin America's largest per capita. The $13-billion debt is equivalent to $1,000 for each of the country's 13 million inhabitants. Shortly before reaching this agreement with the creditor banks, President Sixto Duran-Ballen paid $5 million in April as a gesture of good faith and seriousness, Finance Minister Cesar Robalino reported at the time. With this payment, Ecuador ended a 20-month delay in the payment of overdue interest, which had accumulated up to a total of $2.5 billion since 1987. As for the remaining principal, approximately $5 billion, the country will choose among several alternatives proposed.

Corruption in Public Sector Investigated

94SM0330A Quito HOY in Spanish 4 Apr 94 pp 1, 5

[Text] "Not only has corruption become widespread in the country in recent decades, but it has also become institutionalized, and, although only informally, it is regulated." This statement was made by the Andean Center for Popular Action (CAAP) in the course of an investigation that brings us closer to an understanding of the scope of this worrisome phenomenon.

According to the CAAP, "commissions" absorb about 6.9 percent of the state budget—almost 7 percent—and the regulation process has reached a point at which "both those involved and careful observers know exactly what amount or what percentage of 'commission' must be paid out or received by a bureaucrat for any given type of procedure." At the same time, there are "bureaucratic rings"—veritable bribe approval-payment-acceptance chains—without which the system could not function.

The CAAP says it is interesting to note that as of December 1993, there were in the nation's prisons only 42 inmates convicted of crimes against the public administration and 38 convicted for embezzlement. But corruption is not found among government employees alone. The percentages of taxes evaded by private businesses are also "regulated."

As the CAAP sees it, the impoverishment of broad sectors of the population of Ecuador is expressed and can be measured by three new parameters. They are crime (which we analyzed yesterday), corruption, and the growing lack of respect for human rights. The challenge involves finding a way to combat corruption on both the public and private levels.

On the initiative of the vice president of the Republic, the government has contracted for the services of a business called "International Honesty," with a view to the launching of a plan to combat corruption. However, whenever an effort is made to resolve a structural crisis by means of a morality campaign, limitations appear, according to analysts who deal with the dramatic subject of corruption in Ecuador.

Can the monetary sum being absorbed by corruption in our country be calculated? The CAAP has decided that it can. It has, therefore, using the incipient institutionalization of this phenomenon seen in recent decades as a basis, made a study of the magnitude of the sums involved in corruption on the public and private levels.

Starting with the clear "rules of the game" governing the processes of corruption today, the CAAP study considered the state budget figures for 1993. The expenditure categories were used to measure the corruption in the state apparatus, while the income categories made it possible to calculate the extent of corruption on the private level.

Government Corruption

According to the CAAP study, 6.9 percent of the general budget of the Republic "drains" through the hands of unscrupulous bureaucrats within the state institutional apparatus and/or the private sector. In order to reach this figure, the investigators established first of all what would be called a "useful base for corruption" made up of the various expenditure categories (salaries, services, supplies, etc.) in the codified budget, which was taken to be the total volume vulnerable to corruption. Secondly, the national average for the "commissions" absorbed by government employees and officials out of the national budget, by category and ministry, was determined.

According to the CAAP, three conclusions can be derived from the above.

- The simple average of the commissions that must be paid to the bureaucracy for various purposes, or in other words the "diversion rate," is estimated to amount to about 15 percent of the budget.
- Where the commission percentages by expenditure category are concerned, that for "services" proved to be the largest (33 centavos for every sucre of expenditure vulnerable to diversion), followed by "supplies" (20.6 percent), "construction" (16.2 percent), purchases of "goods and chattels" (15.5 percent), "purchases of furnishings" (13.3 percent), "transfers" (9.8 percent), "remuneration" (one percent), and public debt (2.3 percent, for the foreign debt).
- Provisionally, the ministries believed to have the highest average commission rates are Education and Agriculture, with averages exceeding 18 percent.

Once these aspects have been reviewed, it is possible to calculate the amounts diverted to the personal accounts of a myriad of bureaucrats. To this end, the amount in each expenditure category is multiplied by the "commission rate," and by the percentage that in practice is vulnerable to diversion.

By means of this procedure, the investigators came to the conclusion that 291.3368 billion sucres (about $155 million) were drained off in this way from the expenditures originally planned and approved in 1993. In relative terms, this amount is equivalent to 6.9 percent of the total budget, and to 1.1 percent of the gross domestic product (GDP) for 1993.

"Up to the present, obviously, public corruption has taken into account only the monies incorporated in the state budget proper. Thus the sums derived from the private sector that go to fill bureaucrats' pockets have not been included. It is, as yet, impossible to make a quantitative determination of this total, since it involves commissions ranging from payments to a policeman in order to avoid a fine, through the corruption of judges, all the way up to Christmas gifts," the CAAP investigators have explained.

The Private Sector

Although it is generally believed that the greater part of the existing corruption is to be found in the public sector in our Latin American countries, there is no doubt that this practice, and immorality in general, play a major role in the private sector of our economies.

The CAAP investigation in this sector was limited to the issue of tax evasion, and the figures provided by high-ranking government officials themselves (in public statements) were used. The researchers began with the tax income collected throughout 1993, and this was compared with the income that would have been collected by the government had this mass tax evasion not occurred.

According to the CAAP, if the values that were not taken into account, but which can be estimated roughly, were added in the course of this operation, the result would be an approximate total for corruption equal to 9.5 percent of the GDP, including the estimates that were not realized.

Paraguay

Romanian Prime Minister Vacaroiu Arrives for Visit

PY1905020794 Asuncion Cerro Cora Sistema Nacional de Television Network in Spanish 0000 GMT 19 May 94

[Excerpt] Romanian Airlines' Moldavan airplane landed at exactly 1455 with Rumanian Prime Minister Nicolae Vacaroiu on board. This is the first time a Romanian chief of state has visited Paraguay.

Here at the airport, he was met by President Juan Carlos Wasmosy and high-ranking national civilian and military authorities. At the end of the honors session, the Romanian prime minister greeted local authorities. [passage omitted]

Peru

President Alberto Fujimori Interviewed

PY1805183094 Lima Global Panamericana Television Network in Spanish 0200 GMT 16 May 94

[Interview with President Alberto Fujimori by Guido Lombardi at the Panamericana Television studios in Lima on the "Panorama" program—live]

[Excerpt] [passage omitted] [Lombardi] Engineer Fujimori, Peru is about to commemorate your fourth year in power. How do you feel about it? Are you tired of exercising power?

[Fujimori] No. Do you think I look tired? [laughs] I am enthusiastic. I like what I do. I am feeling increasingly energetic and want to resolve problems. One of the things I like to do best is to face problems. I do not know if this is explicitly stated in the book written by [name indistinct]. We have overcome some of the macroeconomic and terrorist problems and are now concentrating on social issues, like fighting poverty.

[Lombardi] Will this be your priority issue in the last year of your term?

[Fujimori] A few months ago we adopted specific measures in this regard. Perhaps some critics ignore this and I am sure they are unaware of it because they never go where these actions take place. There is still a lot to be done, not just next year but also in the years to come.

[Lombardi] Are you announcing that you will seek reelection?

[Fujimori] That is not what I meant. Presidents must seek the well-being of people and this entails a process. Some say I am campaigning but this is what presidents should do. I would say that all future presidents should

constantly work toward achieving this goal, not just at cocktail parties and at the social level.

[Lombardi] Well then, I will pose my question more directly: Engineer Fujimori will you seek reelection?

[Fujimori] I believe this is the fourth time you have asked me the same question. [laughs]

[Lombardi] But we are 12 months away from the presidential elections...

[Fujimori, interrupting] I believe it would be good for the country if these electoral issues were set aside for the time being. We should address electoral issues only as election time gets near because the country needs people to work hard. If we distract our attention with electoral issues, we will be unable to do a good job.

I will continue to exercise my duties as president. I have not yet announced my candidacy and I am still not a fully-fledged candidate.

[Lombardi] Were you referring to anyone in particular when you said that future presidents and eventual presidential candidates should be working in the field and not at the cocktail party level? Whom were you referring to...

[Fujimori, interrupting] I was not thinking about anyone in particular...

[Lombardi, interrupting] There is no one...

[Fujimori, interrupting] No, but that was the traditional way the issue was handled. Was it not?

[Lombardi] No official candidacies have yet been announced. You have not announced your candidacy and no one has announced it either. But there are some obvious candidacies. What are your views on this? Whom would you like to run against next year? On 15 May [1995], Peru will have elected a new president...

[Fujimori, interrupting] Yes, if I decide to run, that is...

[Lombardi, interrupting] If you decide to do so...

[Fujimori, interrupting] If I run. [laughs] It makes no difference to me at all. I believe...

[Lombardi, interrupting] Do you think Perez de Cuellar would be a good candidate?

[Fujimori] Well, I would like to see him here in Peru. Only then we will be able to assess the situation and his possibilities of leading Peru. I believe protagonists must be at the site of events not abroad.

[Lombardi] The fact that he is not here does not mean we cannot make an assessment...

[Fujimori, interrupting] That is perfectly fine. I also believe it is not good for the country to be abroad for a long period of time, particularly when handling national issues—more specifically regarding the war on poverty. One must be on site to know the situation first hand. It is one thing to see the issues from Government House and another completely different issue to see the situation in (?Piquichaca) or (?Ancaray), which I visited today. The problems are viewed in a completely different light. To see how terrorism had destroyed these towns and the simple solutions that can be found. This can only be done at the site of events.

[Lombardi] Lima Mayor Ricardo Belmont is a potential presidential candidate who is here in Peru and who is trying to resolve problems affecting Lima. Apparently you dislike him and even at the government level you have blocked any possible solutions that Belmont has come up with to resolve problems affecting Lima.

[Fujimori] The government has adopted technical measures seeking to decentralize power and this is being increasingly understood by people.

[Lombardi] What are your views on (?Fidel Montes) as a presidential candidate?

[Fujimori] Well, they have announced their candidacies and I hope many others will do the same. It is not just a question of these two personalities, but of other mayors as well ...

[Lombardi, interrupting] Former mayors...

[Fujimori, interrupting] Another candidacy was announced today. All this will be very lively. But we should leave all this activity for next year.

[Lombardi] Not that long because the candidacies must be registered by October and the campaigns must be launched ...

[Fujimori, interrupting] Yes, but the elections will be held in April. Let me remind you that I started to move only by March.

[Lombardi] Let us talk about [pauses] ... but you will not be an unknown candidate like in 1990.

[Fujimori] No, of course not. [laughs] But you are implying that I am going to be a candidate.

[Lombardi] Let us discuss an issue which you have said will be your main concern this year—social problems, an area that has greatly benefited from the resources obtained from privatizations. These huge resources were unthought of a few months ago. How will you spend these resources and how will people, the media, and Congress follow how these sources will be used?

[Fujimori] Never before this century have resources been so well invested. The savings that have been made by using these sources are tangible. I would like to give a couple of examples:

We saved over $100 million in an irrigation project. Imagine the significance of $100 million. I can build 300 schools with it.

[Lombardi] What project are you referring to?

[Fujimori] Chabimochic.

[Lombardi] But that means that the project was totally overvalued.

[Fujimori] Ah, there are works that were overvalued, others [word indistinct], and still others were incomplete. The Chimbote dock, for example, was overvalued. Fancy spending $19 million to build a dock that is useless.

Look how we spent our resources. There was a long discussion and a campaign was launched criticizing the purchase of patrol cars. I read in one newspaper that this project was a crooked deal, that certain brands were to be preferred over others. That is not true. The bid was awarded to a given brand and we are purchasing Japanese pickup trucks to be used as patrol cars, with power steering, at $10,600...

[Lombardi, interrupting] And the example set by some municipal districts such as [words indistinct]?

[Fujimori] No. Sorry, we are only talking about one example. I take the example of the patrol cars because I think the people will understand it better. We purchased ambulances for social projects. For this we purchased new Toyota (?Hiway) vans delivered to Callao Port at $10,500. We are paying $7,600 for that type of vehicle that will be used as patrol cars.

Tell me what other government has paid that kind of prices. This is why I maintain that our resources are not ill-spent. I am concerned about campaigns forecasting the misuse of resources. Usually behind these demoralizing campaigns someone is trying to get the government to acquire this or that brand. But we do not put up with this sort of thing. I think it is quite clear how the government uses funds for social programs. For example, we have CONADE [National Development Corporation]. Just look at all the electrification, potable water, and sewage projects it has carried out in the shantytowns. As one example I want to mention that soon I will visit a settlement in Manzanares, in Huachos, which has existed for 40 years without potable water or sewage systems. In Cerro San Cristobal, there are still some people who still do not have potable water, sewage systems, or electricity. Therefore, there is still a lot for CONADE to do and I am certain that the social projects are being administered efficiently.

[Lombardi] Mr. President, to talk about the good or bad use of resources does not necessarily entail corruption or paying more for what can be purchased for less. Sometimes it refers to where the resources are used. You said the $100 million that was saved in the Chabimochic project could be invested in building a whole lot of schools. But is building schools all that is necessary to improve the quality of the education program in Peru or should we invest significant quantities in training teachers, increasing teachers' salaries, etc.?

[Fujimori] Now we are talking about education?

[Lombardi] Just as an example. Just an example of what is regarded as a good or bad use of resources.

[Fujimori] Before referring to this subject, in which I am very interested, I want to mention that in the social field, for example, this government has the cooperation of the Armed Forces, the Army to build neighborhood roads. Recently we purchased machinery worth $40 million, with a credit granted by Eximbank of Japan, which will be used to build neighborhood roads and second and third level highways. This is a special program. We are also building health centers as part of the social program.

In the education field, it has been said that I only think about education in terms of laying one brick on top of another. First, I want to tell those who criticize me that they are not acquainted with the Peruvian education system, that they are not aware of the real situation in Peru. Probably because, out of fear of the Shining Path or acts of violence, they have not visited shantytowns like Jose Carlos Mariategui, or [names indistinct], to mention some.

To talk about education and maintain that this or the other aspect must be improved is fine, but in the meantime where do the children and teachers go? To thatch roof huts and sit on a pile of bricks? This is one aspect we are correcting. We must improve teacher training and salaries, we must supply books, shoes, and even buses to the poorest sectors. The government is doing this. Do you know that for the first time in 20 years we have held a massive training program from which 45,000 teachers benefited. All this is being tackled in a comprehensive manner and this is why I believe people are wrong to criticize the building of schools. Wherever I go I meet crowds of children demanding a school, and they have every right to do so. We may have to build 5,000 schools in the next few years. As you may have seen, every Sunday there is a whole page of the newspapers calling for bids for the construction of 20 schools. Just take a look at yesterday's EXPRESO issue and you will find a call for bids for the construction of 20 schools, next Sunday another 20 schools. This is one of the aspects of the social program which is, undoubtedly, very important.

[Lombardi] Regarding the social program expenditures, the Ministry of the Presidency is one of the sectors in charge of administrating the expenditures of the social program. Do you think someone like Minister Raul Vittor, who is accused of being involved with someone who is sought by Peruvian justice, should handle this?

[Fujimori] The charges have not been proven.

[Lombardi] No.

[Fujimori] If this were the case, then I should be removed also because there are hundreds of charges against me. Do you remember, during the campaign? Well...

[Lombardi, interrupting] The relationship could be legitimate.

[Fujimori] Of course. The Ministry of the Presidency was created precisely so the important resources be administered by the Presidency of the Republic. I must say that in this regard I am very distrustful. I could not bear all those resources scattered everywhere without an effective supervision of the expenditures by the executive branch. Experience has shown us that the resources are being used in a very rational manner and with the best social and economic results.

[Lombardi] Does this mean you are satisfied with Vittor's performance.

[Fujimori] So far, I am not only satisfied with Minister Vittor's performance but also with all heads of the various sectors, that is, of the National Prisons Institute, National Compensation and Social Development Fund, National Housing Fund, the infrastructure minister, and all my ministers, whom, let me tell you, I call my managers because they are the managers of the government's policies.

[Lombardi] Somewhere we read that you call yourself general manager. Sandro Fuentes, for example, is an excellent manager, he did an excellent job...

[Fujimori, interrupting] But he tendered his resignation for personal reasons. By the way, some believe a businessman should be elected for this post but I disagree because what the country needs is a greater collection of revenues. Therefore, we need someone neutral so that the amount of revenues collected may grow. Moreover, revenues come from the business sector.

[Lombardi] Would not you like Sandro Fuentes, whom you know is an efficient person, in another cabinet post?

[Fujimori] I have not even thought about this possibility. Probably [words indistinct].

[Lombardi] President Fujimori, one extremely important issue—you have always granted it particular importance—is the national pacification process. During the past few days in Lima, obviously not with the same magnitude of the past, there seems to be a new terrorist outbreak. There have been a few detonated petards and bombs that have only damaged windows. Nevertheless, it is worrisome. How does the government view these incidents; what intelligence information on the issue do you have?

[Fujimori] This is only normal because the Shining Path, which is at death's door, is trying to make itself noticed with this type of violent actions. The situation is under control. We have the military front, particularly in the rural jungle zone and also in the urban zones keeping close track of terrorists. The citizenry must clearly understand that the war has not ended. We must not be over optimistic. The war will continue until 1995. There will be certain actions around 18 May, which marks the date on which they began their attacks. But the important thing is the progress we have made. You have not asked me about the MRTA [Tupac Amaru Revolutionary Movement] because, subconsciously, you have forgotten about them. That is what will happen. Gradually we will progress in this struggle against terrorism and the people may rest assured that we are acting with determination, effectively against the Shining Path. There is no turning back.

[Lombardi] We must not forget we are still at war, that the war has not ended. Maybe you are partially responsible for this lack of concern, convincing us that we will defeat the MRTA and the Shining Path.

[Fujimori] I said I was going to defeat them in 1993. We are already behind schedule. We are still missing two Shining Path leaders. A couple of weeks ago the police arrested important members, right? They are members of the Shining Path national executive council.

[Lombardi] By the way, some Chileans have been sentenced for treason to the fatherland. There is concern among congressmen. The other day, we talked with Chilean Congressman Pizarro, the president of Foreign Affairs Committee of the Chilean Chamber of Deputies, who asked us how Chileans can be sentenced for treason to the fatherland in Peru. He asked: Was it a mistake?

[Fujimori] No, that was simply the name of the charge. It could have been called, let us say, treason to regional security. It is currently being described in a bill. Those Chilean terrorists committed a crime which is described as treason to the fatherland. Now, let us not forget that Castillo Petruzzi and his group kidnapped and held several people hostage in filthy cells, and they even murdered several of them. That is why I—I think this television channel is seen in Chile—am here addressing all Chileans, who should thank us. Those outlaws are now in Peru. They are very safe, sentenced to life without any possibility of escape. Imagine if they were released in 15 or 20 years. It would be terrible. They would be a threat.

[Lombardi] You referred to the military fronts that operate in rural zones. Let us talk about the Huallaga region. What were the objectives of Operation Scorpion Three.

[Fujimori] Two objectives. One was to eliminate, eradicate, any final Shining Path strongholds that may exist in the Huallaga region. At the same time, the Army is working in the (hills) in the Ene Valley where the Shining Path has been entrenched since 1984 and where they captured Ashaninka Indians. The intention is to first eradicate them and then to send the settlers and the natives back home.

[Lombardi] Have these objectives been met? How long will it take?

[Fujimori] Near the Bolson Cuchara Valley—by the way it is the place where the [words indistinct] (escaped)—

but we will find him for sure. I hope that within a month we will have a [word indistinct]. Many deserters are surrendering [word indistinct] from the war. Within a month, the area will be clean. But this does not mean totally clean. This is where the Shining Path members who killed more than 50 people in Matucana came from.

[Lombardi] It was like a Shining Path shelter...

[Fujimori, interrupting] It was a fortress.

[Lombardi] You said war is war. Evidently excesses are committed during a war, and innocent people may die. Charges of human rights violations in the Huallaga region have been raised. Do you think excesses could have taken place? Are you willing to investigate? Are the Armed Forces willing to punish those who committed excesses?

[Fujimori] I do not rule out that some mistakes could have happened. I do not rule that out. That should be thoroughly investigated. Responsibilities must be determined, but ...

[Lombardi, interrupting] Mistakes like these affect local victims and national security. They affect us at the international level. An investigation should be carried out and solved by someone trustworthy and credible.

[Fujimori] There are several organizations with jurisdiction in this subject. They should be international organizations. For example, I can mention the congressional human rights organization, the attorney general's office, and any other organization that wants to investigate the subject. But let us not repeat mistakes of the past. The Shining Path committed some crimes which were blamed on the Army and the police. We have had several of those cases. We are very strict in this. We cannot fold our arms and ...

[Lombardi, interrupting] [question indistinct]

[Fujimori] We agree that the civilian population must be respected. There has been a radical change in the strategy of the antiterrorist struggle because the instructions given to the police and the Armed Forces is to first provide support for the population so that ...

[Lombardi, interrupting] Are those instructions still in force?

[Fujimori] Yes, those instructions are still valid.

[Lombardi] I have unconfirmed information that the military troops in the Huallaga region are 17 or 18 year-old recruits? There are not many, I heard there is a 300-strong battalion. Why was this task assigned to such young men who lack experience and may get jittery, and not to troops with experience in the antisubversive struggle?

[Fujimori] We do not have professional troops. Our troops are young men who, according to the law, start their mandatory military service at the age of 18. There are also some volunteers who are not minors. They are trained and commanded by capable officers. I must clarify something: It is very easy to be sitting on the sofa at home, watching television while our military men and soldiers are in the jungle at the risk of being the target of a bazooka or of stepping on a mine. We must clearly recognize the effort being carried out by our national police and Armed Forces. To whom do we owe the success of the economic program, peace, and a social program? We owe it to them, to the peasant self defense patrols, and to the people who fought terrorism, sacrificing their lives. How many of our Armed Forces are now handicapped?

When people talk to me about human rights I tell them I defend the human rights—you can see for yourself in our prisons, which are the best in Latin America—of those who defend the human rights of 22 million Peruvians. Do you recall any article published by international human rights organization on atrocities committed by the Shining Path and the MRTA? I have not read any. That is why I began an international campaign in 1992 to make the human rights of our people be known.

[Lombardi] Apparently your campaign has been successful because Amnesty International has begun to ...

[Fujimori, interrupting] Ah yes, it began to report on it as of May or June 1992.

[Lombardi] (Pierre Same), the secretary general of Amnesty International has come to Peru. The justice minister has said you will not receive him. Why not? Given that Amnesty International has reported on human rights violations committed by insurrectional groups?

[Fujimori] Groups are free to carry out the investigation they want. We have total freedom in this country. Even International Red Cross inspectors can go into our prisons.

[Lombardi] But the Red Cross has not been allowed to enter in the Huallaga Region.

[Fujimori] I believe that impasse has been overcome. There is total freedom to carry out investigations. I wonder if, for example in other countries, the president receives representatives of human rights organizations? Does President Clinton receive them?. I do not think so. We are a sovereign country in this aspect. But the country is open to any investigation. Our government is defending the people's human rights.

[Lombardi] President Fujimori, to ensure that the Armed Forces effort in defeating subversion is totally and unanimously recognized, other facts should take place. For example, the arrest of Demetrio Chavez Penaherrera, also known as Vaticano. It was said that some Armed Forces officers stationed in trafficking zones are linked with traffickers. Names were given. What investigations are being carried out? How many officers have been arrested? Do you think that given the

great power of drug trafficking, some personnel, not the whole institution—no one is accusing the Armed Forces or the Peruvian Army—but some officers could have been tempted by the traffickers?

[Fujimori] Of course, that is human. Some have been tempted. That is why the Military Supreme Court has sentenced several officers for the crime of drug trafficking. These cases have taken place. A few were tried in civilian courts. Demetrio Chavez Penaherrera was charged for two crimes: Terrorism and trafficking. If a civilian court tried him for drug trafficking, where would he be right now? We would be saying that he is in such and such place, or that he escaped from prison, or that he is still being tried and that there is a risk that he may escape. Now he can be tried and asked which military officers are involved. Why can we ask him that? Because he is in a safe prison, serving a 25 or 30 year sentence. [words indistinct] had he been tried by a civilian court, I doubt he would still be in our hands.

[Lombardi] Just like the case of Manrique.

Before discussing the letter of intent with the IMF, and because people say we journalists are very sensitive about our rights, I would like to ask you to comment on reports that you allegedly forced a member of the international press, who accompanied you on a trip to Puno, to erase a video tape containing a recording of your visit to the (?Llamamallo) jail. What happened in Puno?

[Fujimori] That report is correct because the recording contained a diatribe by a female Shining Path member. We will not allow the Shining Path to make rallying speeches. That was feasible before when the media were compelled to broadcast video and audio tapes containing calls of the so-called armed struggle.

The government will not lose such an important front as is the psychological war. I believe Peru has the right to adopt all the strategies it sees fit in this war. Aside from all these issues, I believe that the achievement of peace is above everything less...

[Lomabardi, interrupting] Mr. President...

[Fujimori, interrupting] As for freedom of the press, I respect it and uphold complete freedom of speech.

[Lombardi] Well, here you are to exercise that same right.

[Fujimori] [words indistinct]

[Lombardi] This past week, the government published a letter of intent with the IMF and a few days later the annexes.

[Fujimori] Correct.

[Lombardi] Some say this is merely protocol because the content of the letter includes details of an extensive negotiating process that lasted several months which cannot be altered no matter what criticisms and opinions may be expressed in the next few days. This is one interpretation of the issue, the other interpretation is even more bold.

Some allege you do not want to sign the letter of intent, that you want to gain time, and that you will use these opinions to justify your not signing it. They allege you do not want to sign it because it restricts the use of funds in social projects to 650 million [currency not specified] and that you want to spend more than that in the election year. What is the truth behind the publication of this letter? Why was the letter of intent published?

[Fujimori] The publication of the letter of intent before its signing is in keeping with what was ordered by the Central Reserve Bank and the economy minister. I want to note the importance of such a publication. These letters of intent are normally drafted secretly and kept under cover because of certain fears.

First, the guidelines of the economic program and its objectives are clearly specified. Let us suppose we are unable to amend it, but if we are a truly sovereign state we can do so by specifying which clauses we want to amend [word indistinct].

I have to admit that although neither Central Reserve Bank Chairman German Suarez or Economy Minister Jorge Camet are members of the military, I have quote, ordered, unquote, [chuckles] them not to sign the letter of intent until a consensus is achieved.

We were about to sign it sometime ago, but I was dissatisfied with some terms particularly regarding the use in social programs of resources realized from privatizations. But we have to sign this letter of intent sometime in the future. It will not be beneficial for Peru to refuse to sign. Peru has to sign it...

[Lombardi, interrupting] But IPAE [expansion unknown] Chairman [name indistinct] has said Peru should not sign.

[Fujimori] I am surprised that a businessman should adopt such a stance. Perhaps he has ties with the previous administration...

[Lombardi interrupting] No, he is a young man and [words indistinct].

[Fujimori] Anyway, if Peru signs the letter of intent, we will have a technical endorsement from the highest international financial institution. With the letter of intent approved by the IMF we will have the IMF's support. This would allow us to request concessions and pardons from the Paris Club or request say $100 million from the World Bank for social stability programs. It is a fundamental endorsement.

Now, even [pauses] after 5 April, everyone unanimously supported the reinsertion of Peru. Do you remember?

[Lombardi] Absolutely.

[Fujimori] We will achieve our reinsertion by signing the letter of intent...

[Lombardi, interrupting] But two years after Peru's reinsertion, Peruvians have started to wonder. It is true the agreements achieved with the IMF have allowed us to pay and to receive funds.

President Fujimori, when you assumed power in 1990 you inherited a foreign debt totalling $19 billion. Today, after paying part of it through the great effort of all Peruvians, this debt has risen to $24 billion—and this is without having contracted any new debts because we basically paid interest rates. In view of this, does it make sense to continue paying?

[Fujimori] There will come a point beyond which we will not make such large disbursements. A good part of this hike in the foreign debt was caused by interest rates contracted by previous administrations. This is why we are paying so much interest. Suppose the debt totals $20 billion. If we add only 10 percent, we will be throwing away $2 billion.

We must strive to reduce debt servicing. This is why we need a letter of intent. This must be followed by a reduction in the servicing of the foreign debt, and a condoning of our debt with international banks. All this entails a process. Let us discuss the Brady Plan.

Friends, the Brady Plan consists of the following: Peru owes $6 billion to international banks, this in addition to interest. Through the Brady Plan, Peru can refinance...

[Lombardi, interrupting] But at lower interest rates...

[Fujimori, continues] ... but condoning an important chunk of the debt. Suppose that after negotiations we are able to condone 50 percent of our debt, that is, instead of a $6 billion-debt we will have a $3 billion-debt. We pay a part of the remaining $3 billion and the rest is paid over 30 years. This is a way of reducing the servicing of the debt.

[Lombardi] Mr. President, experts are concerned about some aspects of the letter of intent while the majority are concerned about other issues. For example, people say that tax revenues should be 12.1 percent and that if this is not achieved corrective measures will be adopted. I get goose pimples because this is tantamount to more taxes.

[Fujimori] Well, it is those who pay taxes who should worry.

[Lombardi] Do you pay taxes?

[Fujimori] Yes I do and I believe the majority of Peruvians, at least those with an income, pay taxes. A 12.1 percent tax revenue is low. It is low because we should not think only from the point of view of those who pay taxes but in terms of those who benefit from these revenues. If we increase tax revenues—and this is not necessarily achieved by creating more taxes or by increasing tax rates—it means the government will have more resources to build schools, roads, running water systems, sewage systems, and energy systems.

This is why the government seeks to achieve a tax revenue totalling 12.1 percent of the GDP. Neither you nor businessmen, however, should worry, Mr. Lombardi, because you will not pay more taxes. Right now tax revenues total 12.7 percent of the GDP...

[Lombardi, interrupting] But that is...

[Fujimori continues]... which means the current tax revenue is higher...

[Lombardi, interrupting] So, we have already achieved the objective...

[Fujimori, interrupting] Of course.

[Lombardi] This is confusing. For example, there is talk of an increase in the GDP of 4.5 percent. But all economic indicators—and even the economy minister has confirmed this—show that the economic growth in 1994 is estimated at about 7 percent, if not more. What is the reasoning behind these low figures?

[Fujimori] The letter of intent was drafted a few months back and only one of its articles, the one pertaining to the use of resources obtained from privatizations, was negotiated. Let me remind you that in the beginning we were talking about $250 million plus $200 million, and now we are talking about $250 million and up to $876 million. There is, therefore, a little imbalance but we are achieving the macroeconomic goals. In other words, we will not create more taxes because of this clause. In view of the tax reform we now have only four taxes: income tax, tariffs, General Sales Tax and consumer tax. We have rationalized taxes.

[Lombardi] Just one final thing on the letter of intent. It is very surprising that a president from an agricultural background—a farmer, a former Agrarian University rector—has left aside the agricultural issue. For example, there have been reports that the agriculture surtax will be repealed in the next few years and the agriculture reactivation program was left aside. What do you have to say to all this?

[Fujimori] We have defended the agriculture surtax in arduous negotiations with the Inter-American Development Bank and we have publicly stated that we rejected this precondition. There will be a surtax until 1976 ...

[Lombardi, interrupting] You mean 1996.

[Fujimori] I mean 1996 [chuckles]. In 1997, the new government will have to renegotiate this but it will depend on international agriculture prices. Agriculture has been protected as never before. There are no subsidies...

[Lombardi, interrupting]...direct subsidies...

[Fujimori, continues] ...but the agriculture policy seeks to maintain certain prices within a given bracket, with a

flexible surtax, so that if there is a sharp drop in international prices of, let us say, rice prices, we will increase the surtax. In view of this, rice farmers—except for seasonal reasons—are guaranteed a minimum profit.

[Lombardi] Will you fulfill the privatizations timetable in the year that is left of your administration? There have been successes, some failures, and it has faded out at times, but do you believe you will complete the privatization process by July 1995?

[Fujimori] I refuse to assess it in terms of success or failure. There have been more successes than anything else. If we make a final balance we can say that the privatization process has been successful...

[Lombardi, interrupting] Absolutely, on balance it has been successful. I did not mean failures, I meant temporary frustrations. (?I was not generalizing.) What happened with Centromin Peru [Central Peru Mining Enterprise] was not a failure, more a frustration.

[Fujimori] No. Centromin Peru was not undervalued as people alleged, it was just that, of the 40 or 50 bidders, no one dared to bid the $280 million plus the $60 million needed to cover the debt. It was not that undervalued.

But on balance, the privatization process has been successful. Four years after its implementation, I believe I am entitled to say that we had a good [word indistinct], a good privatization timetable within the framework of the integral development program because we intensified the privatization process after achieving domestic stability, otherwise we could have auctioned them...

[Lombardi, interrupting] Of course...

[Fujimori continues]... therefore, we will continue at the same pace but always looking for the best prices. Look at the $68 million we got for (?CementoYura); look at National Telecommunications Enterprise of Peru. By the way I cannot imagine what it must be like to receive $2 billion. [chuckles]

[Lombardi] There are those who will not believe it until they see the check.

[Fujimori] Ah well, I am one of them because I stand by St. Thomas saying: Seeing is believing.

[Lombardi] We will have to wait until 17 May to verify this.

[Fujimori] But I trust the Spanish Telephone Company, it is a very serious company.

[Lombardi] Former President Alan Garcia's father has just passed away. Had it been up to you, would you have authorized former President Garcia to attend his father's funeral and offered him guarantees that he would not be arrested?

[Fujimori] Yes. Instructions were given that if the former president arrived, no measures were to be adopted against him. This I believe went a little against the trial proceedings.

[Lombardi] President Fujimori, thank you very much for your willingness to hold such a long interview on the Panorama program tonight. We are all impatiently waiting for 17 May at noon, when the Spanish Telephone Company will deposit a $2-billion check. Thank you very much.

[Fujimori] Thank you very much and I know this will be a new milestone in the history of Peru's development. Thank you and good night.

Constituent Congress President Interviewed

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[Interview with Jaime Yoshiyama, president of the Democratic Constituent Congress, CCD, by Juan Carlos Tafur, place and date not given]

[Text] [Tafur] In the last few days, several legislators have raised the question of whether they are eligible for reelection in the next legislative term. Some time ago, you said this is more a moral issue than a legal one. In conclusion, how does the situation stand? Do you believe the national situation can tolerate these petty discussions?

[Yoshiyama] Let me explain exactly what happened. First, there was great confusion about the electoral system. We wanted to implement the Constitution based on the three organizations [National Election Board, National Office of Election Procedures, and National Civil Registry] because this is the modern thing to do. This is not something we invented because this system is working in other countries. We believe an electoral system based on three organizations is perfect. When we started analyzing it, however, we realized that we might have some difficulties implementing it. For example, we had no control over how long it would take the professional boards to choose their representatives to elect the National Council of Magistrates members.

[Tafur] No one realized this when you were drafting the Constitution?

[Yoshiyama] Yes we did, but we thought the Constitution's drafting was not going to take that long. We drafted those chapters back in August-September 1993 and believed that if the Constitution was approved after the referendum, we would immediately start to work on all this. Aside from all this, we thought we would first implement the system. Only later did we realize that despite being the modern thing to do, we were taking risks and that perhaps we might be unable to implement it by election time. Not at our end, but because we depended on others and political problems always come up. Secondly, our main objective was to achieve an image of complete openness, of security and cleanliness.

We sought to achieve a completely clean electoral system. After making a cost-profit analysis like economists do, we have no qualms in accepting what the opposition is upholding. We took the Bar Association draft, which in its sixth article clearly states: "You cannot seek reelection." That is what it states. We discussed it among ourselves and all of us decided "we are willing" to accept it.

[Tafur] Whom are you referring to when you say all of us?

[Yoshiyama] The people who helped the New Majority-Change 90 [NM-C90] internal group. Clearly aware that this article specifies that we cannot seek reelection, I asked: "Are we aware of this? Are we aware that this means we cannot seek reelection, that we are sacrificing our personal interests for superior interests so that the country gets a clear message about the electoral system?"

[Tafur] All of them agreed?

[Yoshiyama] Well, not everyone was present, only some...

[Tafur] ... Who were the ones who attended the meeting?

[Yoshiyama] I do not remember...I believe CCD members Robles and Sandoval were there, but...

[Tafur] ... Was CCD and NM member Luz Salgado there?

[Yoshiyama] Yes, I believe Luz Salgado was there...I cannot say because I do not remember but we made decisions of this sort. There were 30 of us. Not all of them are in Lima all the time. CCD member Martha Chavez was certainly not there because she was involved in all the dealings...

[Tafur] ... Perhaps she refused to attend the meeting?

[Yoshiyama] No, but perhaps she just did not know about it. We hold regular meetings but sometimes we do not know which issues are going to be discussed on the agenda because we discuss correlated issues. We are a very flexible group in this sense. We do not have a fixed agenda, taking of minutes, reading of minutes. A person stands up and starts speaking; that is all.

[Tafur] In short, we can assert that the group accepted the proposal?

[Yoshiyama] Yes, the group accepted it although perhaps some did not understand the issue. I am speaking on a personal basis. In that meeting, Yoshiyama understood that the group decided not to seek reelection.

[Tafur] Beyond the constitutional provision, would you say there is a moral obligation to do this?

[Yoshiyama] I believe there is a commitment I will assume when I vote on the issue. To my surprise, when we held the plenum session the friends in the minority, who have much more legal experience, were in favor. At the time, I was very pleased and of course I thought they also agreed not to seek reelection. This is why I say that I believe we assumed commitment when we approved the Bar Association draft bill. How can we speak of reelection? Personally, I will never propose it. I feel morally unable to propose an amendment to this clause because I voted in favor of it despite the fact that, as you know, the plenum president does not vote.

[Tafur] Many people say you are not really making a sacrifice because you will run for vice president.

[Yoshiyama] No, absolutely, no, no. That is what people say. They have even told me: "Obviously chap, you are already on the ticket, so why should you care." No, I emphatically declare, first, that I have no political ambition whatsoever and that I am not making electoral calculations. All the people who know me are aware that things are not like this. I have always thought that we are here to make a constitution and a series of laws, without thinking of personal objectives or reelection. I fully disapprove of lawmakers turning this into a profession.

[Tafur] Do you think there should be professional politicians?

[Yoshiyama] I do not think so.

[Tafur] Do you think they should be amateurs?

[Yoshiyama] I would not go as far as that, but at least they should not take this as a profession. The point is that there are extraordinary lawmakers, but a few of them are using their position for personal advantage.

[Tafur] OIGA magazine claims that this Congress is too professional. In other words, that its salary level surpasses even that of the previous Congress.

[Yoshiyama] No. Look, I have some information here. I emphatically maintain that this Congress is much more efficient than the previous ones. I will prove it by mentioning three figures. First, the previous Congress had 4,000 people. Today, we are 700 and the trend is to reduce this number. Each person now corresponds to six in the previous Congress. Don't you think this is highly efficient? Not only because of the lower number of people, but because fewer people means smaller facilities, lower transportation expenses, lower electric power consumption, and many other reduced items. Second, our annual savings amount to $70 million. This amount is enough for building 280 schools, of the type of beautiful schools President Fujimori is dedicating everyday. They are 280 schools; $70 million is a lot of money. Third, our average legislative production has been three times as much as that of the previous Congress and the Constituent Assembly.

[Tafur] Are high salaries justified then?

[Yoshiyama] No, wait a minute. Why did we reach this production level? Because in the past, all bills were studied at plenary sessions of Congress and committees worked very little. There was the impression that people

worked harder, but debates were highly unproductive. Today committees are at work and only the bills that have been properly screened reach the plenary session for approval. We approved five laws yesterday (7 May). It is much more productive. Do you know how long it took the previous Congress to change the name of Cusco to Qosqo? Three days. Can you imagine the country using three days to change Cusco to Qosqo? We probably would have needed one hour to do the same.

[Tafur] Going back to the question that you do not want to answer...

[Yoshiyama] We earn an average $2,500 per month. You should compare this salary with the salary of, say, the general manager of EXPRESO—which I can assure you is much more than $2,500. Therefore, I believe we are earning the right amount. Some people have said we earn 17,000 sols, but I believe this is foolish. But citizens want productive, efficient, and hardworking lawmakers. The salary issue has been magnified. It should not be a political problem.

[Tafur] Lawmaker Torres y Torres Lara maintains that a series of constitutional amendments like the one dealing with multiple electoral districts might be necessary. Is that a majority bloc position or simply that lawmaker's idea?

[Yoshiyama] That is his own personal idea. I should first say that we hold lawmaker Torres y Torres Lara in very high regard because he is the one who has practically directed the constitutional work; that is, his opinions are authoritative. The matter, however, has not been debated yet within the NM-C90 alliance.

[Tafur] What do you think about it?

[Yoshiyama] We will change a lot of things: the death penalty, the Constitutional Guarantee Tribunal, and the method for electing the National Council of Magistrates, which will end up in chaos the way it is.

[Tafur] ...You will enforce such changes despite Dr. Ferrero's begin mad about them.

[Yoshiyama] What else can we do? Concerning the constitutional reforms, over the past three months we have heard very authoritative opinions explaining to us how to improve the election of members of the National Council of Magistrates and the Constitutional Tribunal, the death penalty's enforcement, the implementation of the single district, and the cancellation of lawmakers' tenures, which we have considered very interesting. We have no problem at all admitting that we made some mistakes, but we are flexible and willing to consider those opinions for a possible amendment of the Constitution.

[Tafur] About the electoral issue, is it true that NM-C90 will not compete, that a new political movement will be created for this purpose?

[Yoshiyama] No. We have not made any decision about electoral issues. We have not decided if NM-C90 will compete or if we will create another movement. The only thing we want is to make it possible for the president to run again. Besides, we are convinced that we need strong support from independents if we want to succeed in the next election. This is why we have not made a decision. Today, to speak the truth, we, and particularly the president, are all busy governing the country. I am not sure if journalists are aware of how difficult it is to keep pace with the president's activities when he is visiting the provinces. He works from seven in the morning until three in the morning the next day.

[Tafur] Are NM-C90 leaders as concerned as some government officials about Javier Perez de Cuellar's candidacy?

[Yoshiyama] There is still a lot of time, is there not?

[Tafur] But you are not concerned?

[Yoshiyama] It would be hypocritical to say that I am not concerned; but we are taking it calmly. I do not need pills to sleep.

[Tafur] But the president says he cannot sleep.

[Yoshiyama] He does not sleep because he works too hard. What I mean is that Javier Perez de Cuellar is an excellent ambassador and a diplomat. He is attractive because he has great international prestige, which might make many things easier for him in a future government. A possible negative factor is that he is not acquainted with Peruvian problems.

[Tafur] Do you not think that statement is rather misleading? How else could he have helped Fujimori at the beginning if he was not acquainted with Peruvian problems?

[Yoshiyama] Perhaps I did not express myself well. I said Perez de Cuellar has many things in his favor. He is an ambassador with great international prestige, but he has to update himself on national problems. At this time, he is not up to date on national issues because he has lived abroad during the past 20 years. That is what I mean.

[Tafur] Why do you think people support Perez de Cuellar's candidacy? Why is a government such as Fujimori's government, which has achieved important things in diverse areas, unable to convince the people as much as his accomplishments might lead you to imagine they would?

[Yoshiyama] People's approval of the president continues to be high by all standards. The people are happy with his work. In the case of Perez de Cuellar, the people see an image. He is practically a stamp. They are comparing an ideal image with a real person like Fujimori. Besides, the comparison is being made one year before the election. I think it is too early to forecast anything. The only thing we know is that Ambassador Perez de Cuellar has yet to formally announce whether

he will be a candidate. The leaders of traditional political parties, however, such as the Popular Christian Party, the leftist movement, and a group of American Popular Revolutionary Alliance followers, already have launched him, involved him. There are even discussions on a possible congressional ticket and in some places they are forming committees. I think they are using him.

[Tafur] Would you accept that Fujimori's biggest shortcoming, compared to his achievements, is the handling of human rights, or at least the handling of reports on human rights violations in cases such as the "La Cantuta" or "Huallaga" case?

[Yoshiyama] I am not aware of a country where the president has had such a high approval rate for so long. There have obviously been mistakes and we are determined to correct them. For instance, there were some abuses on the issue of human rights. In the Upper Huallaga case, it was the Armed Forces' duty to enter and eliminate the terrorist groups. Probably, and this is being investigated, some Armed Forces members committed abuses in isolated instances. It is denigrating to learn that a soldier raped someone. It is not a matter of counting to see if one or 18 people have been raped or killed. All cases are acts of aggression against human rights. These acts must be harshly punished. But it is wrong to generalize and involve the entire Armed Forces or police in these acts because it turns the issue into a political issue. It is also wrong to cover up things.

[Tafur] Do you agree with Monsignor Cipriani that all those human rights commissions are nonsensical, as he has publicly said?

[Yoshiyama] No, in no way do I agree. I believe that each commission of this type, like the Human Rights Coordinating Board, like all human rights groups, does play a role. They certainly operate as a counterweight within society. The problem begins when there is exaggeration, when groundless statements are made. If Monsignor Cipriani said what you are telling me, I do not agree with him.

[Tafur] If Fujimori were reelected, do you think Commander Nicolas de Bari Hermoza should keep his post throughout the government term?

[Yoshiyama] Ask him. Do not ask me. Work relations between two people are known to those two people. It is not only a matter of professionalism, but also of personal rapport, of all the things that make relations between people so productive.

[Tafur] My question obviously was not aimed at the emotional side of the relationship.

[Yoshiyama] No, I am not talking about that. I am referring to the professional side. I hear the news; I read. I believe General Hermoza is doing an excellent job in his fight against terrorism. I know Hermoza's merits because he is not a general who stays at a military building handling documents. He is at the battle front. If you read the news, you will learn that Hermoza is in Upper Huallaga, in Tarapoto, in Madre de Dios, just everywhere. To put it clearly, "it is the master's eye that makes the mill go." That is the reason for the successful drug enforcement effort. When the history of Peru is written, the name of Nicolas de Bari will deserve a special place. But the decision is to be made by the president.

[Tafur] Will a second Fujimori administration bring anything new? Will there be any news from a structural viewpoint, say, in terms of a government program?

[Yoshiyama] The main problem here is to fight poverty and create new jobs. I believe very significant steps forward have been taken, but we are still very far from this objective. Major reforms have been enforced, but this is over because the reforms have already been implemented. We should look at the future, continue with the reforms, like in the agricultural sector. We will not give up before Peruvian cherimoyas, for example, are sold on the international market. A Peruvian cherimoya costs $50 in Japan. Several things must be corrected. First, land deeds should be issued for farmers in order to create a land market; second, the Water Law should be thoroughly amended to give water the most advantageous use; third, transportation facilities, highways, and ports should be improved; and fourth, the dollar value should continue to be increased. This project, which seems as simple as exporting cherimoyas, calls for several things that have not been made yet, which are halfway done and have to be made.

Fujimori Charged With 'Politicizing' Military

PY1805145894 Lima LA REPUBLICA in Spanish 7 May 94 p 4

[Text] On 6 May, [Democratic Leftist Movement] Congressman Henry Pease demanded that President Alberto Fujimori "take his hands off the Armed Forces, and refrain from politicizing them" to promote his campaign for reelection, as this greatly harms the country.

On 18 May, he announced he will insist on his demand for an explanation of what happened at the settlement of Querecotillo in Piura, where Peruvian Army General Raul Diez, commander of the 1st Infantry Division [as published], reportedly got involved in an impassioned public harangue in favor of Fujimori.

Pease commented that this is not an isolated case, as there are several proofs attesting to the government's move in that direction, as evinced by the persecution and punishment of retired members of the military who have criticized his administration.

"I am going to insist on my request. The defense minister must explain what has happened. The entire country is awaiting a response to this request," he said, in an angry tone. He went on to say that rather than request that sanctions be applied against the military who go out canvassing for votes, he demanded explanations. "The

entire country, and especially the Querotillo settlement, deserves an explanation of what has happened," he said.

Pease further stated that the rules of the game ought to be clear in the next election campaign, and that events such as this one should not occur as they inflict much damage to the country. "It is not incumbent upon the Armed Forces to compete with political parties, as they should abstain from participating in the process. That is not their function," he noted.

He also criticized the ruling party for defeating the motion to summon the defense minister to Congress to brief it on what has happened. "The majority decided not to summon him because they do not want to do anything that may imply they are controlling the government. This is why they voted down the request that the foreign minister appear before Congress to explain the censorship that the president enforced on a foreign correspondent," he remarked.

Pease recalled that Fujimori himself ordered the erasure of some images that had been filmed by a journalist when he visited Yanamayo penitentiary in Puno. "What international prestige are we talking about when press freedom is restricted in such a way? It is preposterous, as that is censorship," he exclaimed.

Concerning National Tax Administration Superintendency superintendent's unexpected resignation, Pease noted that this type of state agency must maintain good administration in order to prevent maladjustments.

Pease noted that this unexpected replacement may represent a political maneuver to reassign a good professional like Sandro Fuentes to another area, where he may be required for the electoral campaign. Pease pointed out: "The management of governmental administration must not become involved in political maneuvering. It is necessary to take the country into account, and not to have basic aspects in Peru's life become involved in political chicanery."

Army Denies Officers Campaigning for Fujimori

PY1805121494 Lima EXPRESO in Spanish 11 May 94 p A10

[Text] Yesterday in a communique, the Northern National Security Command Zone denied that officers serving under its jurisdiction have engaged in political activities in Sullana. The Huancayo Political-Military Zone Command has also reported that two Army servicemen were wounded during antisubversive operations in the central jungle of Junin Department.

Congressman Henry Pease made the allegation that officers were engaging in political activities in a motion he proposed in Congress on 3 May. Pease said he had received reports from several citizens that General Raul Diez, commander of the Sullana-based 1st Cavalry Division, accompanied by a group of officers and soldiers, attended a meeting on 24-25 April in the township of Santa Cruz, which is part of the Querecotillo peasant community, to describe projects implemented by National Compensation and Social Development Fund and achievements of the government's economic policy with a view to earning their support for the president's reelection.

The military communique adds that Pease's charge was highlighted in two issues of a local newspaper. In this respect, the communique adds, the Army commander ordered an investigation "which concluded that the charge was baseless." The communique adds: "Gen. Diez did not go to Santa Cruz on 24-25 April because he was discharging specific duties during those days."

The communique notes that a group of officers went to Santa Cruz on 25 April in response to an invitation by the president of the Self-Defense Committee of Querecotillo, and that "only topics related to self-defense committees were discussed at that time, and absolutely no political issues whatsoever," proof of which are the minutes of the meeting.

The communique adds: "The Northern National Security Zone Command hereby conveys to the people that the Armed Forces are discharging their duties within the precise framework outlined by the Peruvian Constitution, and by their own laws and regulations; and that their efforts and professionalism are committed to the fundamental task of promoting national pacification and the implementation of civic actions in favor of the most needy towns. It is thus far from our mission and task to engage in any activity that could be construed as party politics because the raison d'etre of our military institutions is the Peruvian nation."

The Political-Military Command of the National Central Security Subzone No. 7 (Huancayo) has reported that two Army servicemen were wounded during antisubversive operations conducted by units of the 31st Infantry Division in the central jungle Department of Junin.

At approximately 0730 on 7 May, an Army patrol engaged Shining Path terrorists in the Alto Cachingari region, Satipo Province. Sergeant Adalberto Gonzales Manrique was wounded during the clash, and was evacuated to the Lima Central Military Hospital.

At approximately 0800 on 8 May, another Army patrol engaged Shining Path members in the area known as Boca Anapate, in the Ene River basin, Satipo Province. Infantry Captain Carlos Velezmoro Saucedo was wounded during the clash and evacuated to the Satipo hospital.

Former Adviser: Fujimori's Relations With Armed Forces

PY1705002194 Madrid EFE in Spanish 2149 GMT 15 May 94

[Text] Lima, 14 May (EFE)—Hernando de Soto, president of the Freedom and Democracy Institute (ILD), said today that Peruvian President Alberto Fujimori uses the Armed Forces in activities "for which they have

not been trained." De Soto told the press that when the Armed Forces are used that way "there is the risk of contradictions, among them human rights violations, corruption over drug trafficking, and the abuse of power and authority."

De Soto, who was Fujimori's adviser, said in an interview with the weekly EL MUNDO that the Peruvian president soon realized that "the whip is much more effective than trying to coordinate or reach agreement. He is left with the whip in his hand which may have given him some short-term results but he has not resolved the main problem: A state that governs for very few," said de Soto who cooperated with Fujimori during the first two years of his government beginning in 1990.

He said he was disappointed with Fujimori's administration because at the start he represented a government for the great majority and placed great emphasis on the democratization of the country. He then implemented a system that was "less transparent" following the 5 April 1992 self-coup "under the pretext of a better democracy."

De Soto, the author of "The Other Path," added: "Instead of concentrating on the difficult task of reforming a state that does not work, he discovered there was, within the state, a group of well-disciplined people he could use: the Armed Forces."

Hernando de Soto told a local radio station that former UN Secretary General Javier Perez de Cuellar would follow a more democratic administration than Fujimori "because of his tradition of respecting the rules" if he becomes presidential candidate for the 1995 general elections.

He reiterated that Fujimori had democratic ideals for a long time but changed when he realized that "getting his hands on resources, based on vertical power and leaning on the Armed Forces, resulted in important achievements like his near victory over terrorism and his clear triumph over inflation."

CCD Sets Drug Possession Quantities for Penal Code

PY1805184594 Lima EL COMERCIO in Spanish 12 May 94 p A5

[Text] Last night, the Democratic Constituent Congress [CCD] approved, by an ample majority, the top quantities of drugs that will, for legal purposes, be considered small quantities, as well as early deadlines for certain cases involving the crime of drug trafficking.

Up to 100 grams of cocaine paste and illegal byproducts, 25 grams of cocaine hydrochloride, 200 grams of marijuana, and 20 grams of marijuana byproducts will therefore be the limits for 'small' quantities, which will determine a prison term of not less than two years and not more than eight years, a 365-day fine, and disability as established by Article 298 of the Penal Code.

The same legal standard establishes that, if drugs are distributed in small quantities and directly to individual consumers who are not chargeable, there will be a prison term of not less than one year and not more than four years, a fine ranging from 180 to 365 days, and disability.

According to its whereas clause, the bill approved last night, which was initially remitted by the executive branch and subsequently corrected by the CCD Justice Commission, seeks to correct the inaccuracy in Article 298 that prompted contentious jurisprudence. The bill also establishes a special, expeditious trial, which represents a one-sixth reduction of the sentences that must be added to the reductions received for confessing a crime.

Another approved bill involves changing the priority level of obligations of financial system organizations and savings and loan cooperatives when going through a process of dissolution and liquidation. The salaries and retirement payments of workers in financial system organizations and savings and loan cooperatives will, therefore, have immediate priority over the deposits of savings account holders now.

The CCD session was marked by proposals to send greetings to the Panamericana Television Channel "24 Hours" newscast and the official gazette EL PERUANO on their 21st and 169th anniversaries, respectively.

Fujimori: MRTA 'Practically Liquidated'

PY1805160194 Lima LA REPUBLICA in Spanish 11 May 94 p 2

[Article by Victor Nunez]

[Text] Barranca, 10 May—President Alberto Fujimori said here that the Tupac Amaru Revolutionary Movement [MRTA] has been practically liquidated. This statement follows the recent capture of high-ranking leaders of this terrorist organization.

Regarding his possible reelection as president, Fujimori said he had not yet thought about the possibility, but would think the matter over carefully if the people asked him to run again.

The president arrived in this city at around 1500, accompanied by Transport Minister Dante Cordova Blanco, Inter-American Development Bank representative Rosa Watson, the South Korean ambassador, and a group of South Korean legislators. His arrival occurred after a three-hour delay in Chancay. The helicopter transporting him and his entourage had to land at a local stadium in this town due to bad weather in the area.

In Barranca, Fujimori and his entourage were received by Provincial Mayors Paulino Leon Soto and Carlos Mesa, General Pedro Moreano, head of the 8th Military Region Army Security Department, and other high-ranking provincial authorities.

After the protocol greetings, President Fujimori inaugurated a 50 km long stretch of the North Panamerican Highway linking Pativilca and Huacho. Here, the president made a short speech stressing that the MRTA had been practically liquidated following the hard blows against the movement's national leadership.

The president did not give details, but added that in the past few days the forces of order had captured important leaders of this terrorist organization. He did not mention the place or number of individuals captured. Fujimori also said the Shining Path will be eliminated before 1995, the year of the end of his mandate.

Answering a group of local inhabitants who asked him to run for president in the upcoming elections, Fujimori said he had not yet thought about the possibility, "but if the people ask me to run I will study the possibility."

Dincote: 20 MRTA Bases Dismantled; 'Only 4' Left

PY1805121694 Lima EL COMERCIO in Spanish 8 May 94 p A13

[Text] The only place where the MRTA [Tupac Amaru Revolutionary Movement] still has some strength is in the central jungle. There, it has a column that is allegedly headed by Nestor Serpa Cartolini himself, and which allegedly has a considerable number of weapons, according to two MRTA chiefs arrested by the Dincote [National Counterterrorism Directorate] and presented to the media on 6 May.

The area of influence of this armed group is located between La Merced, Satipo, and Pichis, and in the jungle in Junin and Pasco Departments. There they continue to carry out attacks, although these are not as harmful as those carried out in the past.

In the January and February issues of the MRTA mouthpiece LA VOZ REBELDE, the MRTA claims responsibility for several attacks, most of them in the central jungle, a few in the north, and a few in Lima. The group that acted in the north, however, was deactivated with the arrest of Juan Antonio Leon Montero, also known as "Perseo," a member of the MRTA national directorate.

The MRTA also suffered harsh blows in Lima, especially last month with the Alacran 3 Operation carried out by the second Dincote division, which arrested Emilio Villalobos Alva, also known as "Celso" or "Polo," and nearly all the members of its "Special Forces"—a detachment that specialized in kidnappings and in collecting protection money from businessmen.

Dincote said 20 MRTA bases in Peru have been dismantled so far. In face of this, MRTA members who no longer have a regional command have retreated to Lima and to the Central Jungle area, as well as to Jaen and the surroundings of Huancayo.

This means there currently remain only four MRTA bastions. The main one is in the central jungle. Those in Jaen and Huancayo are unstable, and the command in Lima is trying to recover the lost time, this time under the command of the number two man of the MRTA: Miguel Rincon Rincon.

Dincote has said that in general terms, the MRTA forces are disbanding. For example, the members of the "Martin La Torre Escalante" platoon, which carried out actions south of Peru, especially in Puno, are fleeing to Bolivia, where MRTA leader Sonia Cuentas supports them. This platoon, which bears the name of one of the terrorists who died in the Los Molinos operation in 1989, is headed by Justino Soto Vargas, also known as "Lucho Chico," among others. The MRTA members who remained in Trujillo and Chiclayo have retreated to Jaen. Many MRTA members of Lima have also emigrated to Tarma and Junin.

According to documents that were found, the MRTA plans to take what remains of its military forces to La Convencion (Cuzco), and Aguaytia (Ucayali). According to Dincote detectives, this is a strategic retreat with the purpose of recovering the control of the coca producing zones as well as the financing for their actions.

Given the action of the forces of order, the MRTA has lost a lot of its area of influence at a national level, especially in the Huallaga region and in other coca producing zones that constituted its emporium and had become its base of actions. Now it will be very difficult for the MRTA members to return to these zones, not only because of the Armed Force's actions, but also because the voids it left were quickly occupied by the Shining Path.

Report Details Drug Trafficking Activities

PY1105152194 Lima LA REPUBLICA in Spanish 24 Apr 94 pp 2, 5

[Article by Angel Paez from the "Investigative Unit"]

[Text] A report issued by the Interior Ministry General Intelligence Directorate (Digimin) last February states that the arrest and imprisonment of Demetrio Limonier Chavez Penaherrera, also known as "Vaticano," has not curtailed drug trafficking activities.

The document states that the creation of new drug stocking and dispatch centers, and the transference of drug "firms" to new areas is due to the repressive action of the security forces.

The report states that Colombian Waldo Simeon Vargas Arias, also known as "El Ministro," and the Cachique Rivera brothers from Huanuco have occupied the void left by "Vaticano" by increasing their operations. "Vaticano's" organizations have not been totally dismantled because they are now controlled by his brother Elias Chavez Penaherrera, also known as "Cristo."

The Digimin report states: "Even though 'Vaticano' was sentenced to life imprisonment, trafficking increased in Peru demonstrating that the organizations and 'firms'

involved in this illegal activity can modify their procedures and change their areas of action to avoid being detected." The report was distributed to the Armed Forces Joint Command, the National Intelligence Service, the Navy, Army, and Air Force Intelligence Directorates, and other agencies.

The main areas to where the traffickers have moved to avoid enforcement actions and to resume their businesses are the Tambopata Basin in Madre de Dios, on the border with Brazil, and in the northeastern jungle, specifically in Loreto and Ucayali.

According to the Digimin document, the "firms" that are massively installed in Tambopata Basin use Cusco peasants "to transport coca from the Amparaes and Lares valleys (Calca Province), Huaros (Quispicanchis Provinces), and Quillabamba (La Convencion Province), on a 'small scale' basis, by land (road and rail) to Juliaca (Puno)."

The same "firms," which have turned Boca Manu into one of its operations center, also collect coca from the higher zones of Puno. These leaves "are allegedly processed in maceration pits in riverside areas in these provinces and in inaccessible zones of Juliaca, where basic and washed coca paste as well as cocaine hydrochloride are allegedly being manufactured. This drug is then transported by land and sold for consumption in Cusco, Arequipa, Moquegua, Tacna, Ica, and Lima as well as in Argentina and Chile."

The presence of trafficking gangs in the Tambopata Basin, Loreto, and other places that will be mentioned later is due to the combined action of the Army, National Police and the DEA in Upper Huallaga.

Experts warned that the implementation of antinarcotics policies based on repression would scatter the "firms" but not destroy them. Interior Ministry analysts also acknowledge this, admitting that the mafias in Madre de Dios mostly come from the Upper Huallaga and Ucayali, especially from Aguaytia and particularly from Tambopata River Basin "given its geographical location and scarce" police and military "control."

The same point of view is expressed in the conclusions of the document which states: "The pressure exerted by the forces of order has caused trafficking activity to (...) move further away."

Madre de Dios is now "the main stocking center of basic and washed coca paste produced in northeastern Peru, as are Cusco and Puno, from where it is then transported abroad (to Brazil and Colombia)."

The "firms" have also moved to the Maranon River Basin from the Upper Mayo Valley in San Martin Department, from where they send drugs to Chiclayo, Trujillo, Piura, and Tumbes through Chiclayo, Olmos, Jaen, Bagua, Rioja, and Moyobamba.

The report states that "coca paste production was observed to have increased gradually there as well as greater stocking in Nueva Cajamarca (Rioja and Moyobamba). This increase is reflected both in the domestic market (small scale trade) and abroad (transported to Ecuador)."

The trade, transportation, and manufacturing of drugs has increased in these areas, particularly in Celendin, Cajamarca, and Luya, Amazon Department, "where Colombian and other foreign small planes are observed in the airport of Luya which is allegedly the export shipment center."

The organization left by "Vaticano," which is now controlled by his brother Elias Chavez Penaherrera, also known as "Cristo," is allegedly protected by the Shining Path in the Huallaga River Basin.

The document adds that the "firms" have increased their operational levels in Ucayali, especially in Ayatala and Padre Abad Provinces and in the towns of Tamaya and Pachitea where basic and washed coca paste are manufactured to then transfer it to Pichis Palcazu from where it allegedly is transported to Brazil.

Recent antinarcotic operations in Pichis Palcazu forced the "firms" out toward Zona Balta, Puerto Esperanza, and San Bernardo, in Puros Province, Ucayali.

Just two weeks ago, LA REPUBLICA published a report on activities in the Pichis Palcazu valley. We discovered that the area had been turned into a new operations center by traffickers who previously operated in Upper Huallaga.

Regarding the Apurimac-Ene Basin, the document says: "Coca producing peasants in the Ene and Perene River valleys, in Satipo Province, Junin, and Pichis Palcazu-Oxampampa Province, in Pasco; as well as peasants from the Apurimac River valleys in Huanta and La Mar Provinces, Ayacucho, and Conception Province, in Cusco, have increased their plantations. In these zones, traffickers have involved coca producers in their illegal trade. Peasants now build maceration pits near rivers and are manufacturing basic and washed coca paste."

The drug that is produced here, with that sent from Huallaga, is traded in Palmapampa in the Apurimac valley. This is the "main collection center. From here drugs for domestic consumption are distributed by land to the capital and other important cities (Huancayo, Pisco, Ica, Arequipa, Cusco) and shipped toward the Colombian and Brazilian borders by air."

Clandestine strips for shipping drugs have been fully identified in Luisiana, Palmapampa, Palestina, Puerto Mayo, Valle Esmeralda, and Iscozazin. Digimin analysts said there are Army and Air Force bases near the clandestine strips of Luisiana and Palmapampa but the other strips are not controlled at all.

Trafficking activities have increased in the so-called central axis—comprising roads leading to Lima and the main coastal, central, and southern cities—particularly in Ica.

One of the projections being handled by Digimin is that "trafficking organizations will try to counter their recent setbacks by creating new centers of collection and shipping, thus spreading the police coverage and reducing their efficiency."

Another option being analyzed by experts is that "trafficking organizations, due to the quality of the coca in Huallaga, will continue to evade police controls by transporting the drug by land or by river to areas outside the control of the forces of order and close to airstrips that have been abandoned or are not controlled. Here the drug can be manufactured and shipped abroad."

The document does not specify the amount of drugs transported by the "firms," the number of drug flights, or the number of military or police personnel who cooperate with traffickers.

The report says, however, that interdiction has increased sharply. During February, the police seized 186 kg of cocaine, 3,713 kg of washed coca paste, and 8 kg of cocaine and arrested 245 individuals in 119 operations, most of them in the Maranon basin.

The antinarcotic forces are now seeking to capture and disable the organizations headed by Waldo Vargas Arias and the Cachique Rivera brothers. "(Vaticano's) capture has left a gap which his main competitors, 'The Minister' and the Cachique Rivera brothers, are seeking to exploit," the report states. Both "firms" work for the powerful Cali cartel, which is responsible for 80 percent of the drugs entering the United States.

The police have hit the Cachique Rivera group the hardest. Five houses in Lima were raided, four laboratories were destroyed, and 15 accomplices were arrested. Just a month ago, Antinarcotics Directorate officials captured Margarita Cachique Rivera, the "firm's" contact with foreign buyers in Lima and who guaranteed the supply of precursors to elaboration centers in the jungle.

"The Minister" once again escaped from a combined police, Army, and DEA operation in Lagunas, Loreto Department, during March. He has an airstrip in the area.

Bolivia's Sanchez to Visit 5 July

PY1805032094 Lima EL PERUANO in Spanish 11 May 94 p A2

[Excerpt] After arriving in our country to settle the details, Bolivian Vice Foreign Minister Jorge Gumucio announced that Bolivian President Gonzalo Sanchez de Lozada will make an official visit to Peru. According to the Bolivian official, the Bolivian president will arrive in Lima on 5 July. Diplomatic sources indicated that Sanchez de Lozada's visit will be an opportunity to promote mutual cooperation and integration.

The confirmation of such an important visit was made by the Bolivian vice foreign minister at a time when there is a lot of interest in Peru to increase trade ties that began with the installation of an industrial free zone in the port of Ilo.

The Foreign Ministry has also reported that President Alberto Fujimori has officially invited Colombian President Cesar Gaviria to visit the country. In a letter he sent to Gaviria, Fujimori highlights the close ties that unite the two nations. The invitation was made as a result of the visit Fujimori made to Bogota in February. [passage omitted]

Uruguay

Lacalle Calls for More Freedom for Voters

PY1905024594 Montevideo EL PAIS in Spanish 15 May 94 Section 1 p 16

["Exclusive" interview with President Luis Alberto Lacalle; place and date not given]

[Text] [EL PAIS] What is the sense of launching a campaign for electoral freedom?

[Lacalle] The decision to support departmental constitutional reform, because this is a reform of the departmental governments, has a scope for us that surpasses being a mere episode of the reform, and it is an endeavor to get the country moving toward a harmony that will help it achieve electoral freedom.

The last century opened with a struggle among us for electoral freedom, something essential for the National Party. The 1870, 1897, and 1904 revolutions were not carried out in order to take power, to overthrow the Colorado government; they were carried out to obtain voting guarantees. We wanted to vote freely and with guarantees.

This was being achieved until 1925 when the Election Law that was implemented by the Electoral Court closed the cycle for seeking voting guarantees.

We can say without making a mistake that since 1925 we have had complete voting guarantees and someone has said, not without reason, that the revolution's objectives were obtained in 1925.

Then, another stage begins. We have the profuse legislation on the Lema Law [intra-party tickets], or Lema Laws because there is more than one, which gives us our current system.

We then go from the one and only list and ticket of the 1951 Constitution to departmental separation but within the same lema in the 1966 reform. Now this new reform is being attempted. Now the end of the century finds us facing a situation in which it is notorious that the voter does not have full freedom.

[EL PAIS] Why do you say this?

[Lacalle] Because the simultaneous double vote is in a certain sense a restriction of the popular will; because the

citizen in legal fiction says he votes for a certain party and that within this party he prefers a certain candidate, but it is the party that he really prefers.

Why is it that we talk about electoral freedom when departmental reform comes up for discussion? Because we give the voter another option.

The voter can combine his departmental option with his national option; in other words, there is more freedom, there are more options. Thus, the voter will combine one party with another one by taking into consideration the management ability more than party loyalty.

We believe this option within the constitutional reform is the most adequate one at this time because at this time we begin to commit our influence and political force as soon as the new government is installed to begin a campaign for achieving greater freedom.

We have observed that people have moved from one party to another, and we believe that mechanisms must be sought that will allow the voter to vote for his party at one level and for the government at another.

It is also true that we propose using some of the points contained in the last frustrated reform to help us with our commitment.

[EL PAIS] In order to make it clear for the people. A constitutional reform is going to be voted on in November and if it is successful your idea will go into effect at that time?

[Lacalle] Of course. Of course. The two systems must be voted for simultaneously. For the system that is being proposed and for the current system.

[EL PAIS] The same as in the 1971 elections?

[Lacalle] Yes, exactly.

Sea Forces Commander Carlos Giani Installed

PY1705135294 Montevideo LA MANANA in Spanish 13 May 94 p 11

[Text] Navy Captain (CG) [Naval Line Corps] Carlos Giani will be installed at 1100 today in the naval area of the port of Montevideo as sea forces commander and sea fleet command chief of staff. He was the commander of the Capitan Miranda training ship that was recently refurbished.

Giani entered the Naval School on 1 March 1959, graduated on 21 December 1963 with the rank of midshipman, and was promoted to Navy captain on 1 February 1986.

Labor Training To Be Implemented With Germany

PY1705142794 Montevideo LA MANANA in Spanish 13 May 94 p 3

[Text] Foreign Minister Sergio Abreu and German Ambassador to Uruguay Ludger Buerstedde yesterday exchanged notes on the "implementation of a dual labor training" project.

The project's goal involves professional dual training through theoretical classes, the training of human resources both in our country and in Germany, and visits by German advisers and experts.

The German Government's contribution includes the above-mentioned experts and the required supplementary equipment for the existing workshops and laboratories, teaching material, two vehicles, and office equipment, totaling 540,000 German marks. The National Public Education Administration will be the Uruguayan counterpart for the project's implementation.

Venezuela

Supreme Court Orders Arrest of Perez

PA1805183494 Hamburg DPA in Spanish 1731 GMT 18 May 94

[Excerpt] Caracas, 18 May (DPA)—In a decision unprecedented in Venezuela, the Supreme Court decided in a 10 to four vote today to issue an arrest warrant against former President Carlos Andres Perez and Alejandro Izaguirre and Reinaldo Figueredo, ministers during the Perez administration, on charges of embezzling $17 million from a secret slush fund.

The historic decision, announced by Supreme Court President Roberto Yepes Boscan, paves the way for a regular trial against Perez, twice president of Venezuela and former Socialist International vice president, for embezzlement, presumably committed at the beginning of his second administration in February 1989.

In an unexpected move, Perez went to the Supreme Court "to obey the law" with former Interior Minister Izaguirre. Former Presidency Secretariat Minister Figueredo is either in the United States or in the UK, according to his lawyers.

The former president, who is 71, said upon arriving at the Supreme Court that the order was a "political decision." On 20 May 1993, the Supreme Court separated Perez from the presidency to begin a "pretrial of merits" for the same case in a judicial action that is unprecedented in modern Venezuelan history.

The former president was arrested by the Judicial Technical Police and will be held in El Junquito Jail outside Caracas. Perez's detention marks another political landmark as he was elected president on a wave of popularity in 1974 and 1989 and portrayed himself as a charismatic

leader with Third World connections, heading various international forums for South-South cooperation. [passage omitted]

Guerrilla Front Announces Demobilization

PA1805151394 Caracas EL NACIONAL in Spanish 14 May 94 p D-1

[Article by Freddy Torres]

[Text] An old, weary Francisco Javier Jimenez, Commander Ruperto, chief of the Americo Silva Guerrilla Front, has left the Anzoategui Mountains where he spent the past 32 years resisting successive democratic governments. Although he has said farewell to arms, he affirmed that he was not surrendering.

"We are beginning another revolution in the streets, joining the people. There was nothing left to do in the mountains," he explained.

Accompanied by 100 men who have laid down their weapons and are now seeking power through peaceful means, Commander Ruperto noted that he was hopeful the people will support the Red Flag's political program.

That organization tried to gauge its strength in the past presidential elections by endorsing the candidacy of Gabriel Puerta Aponte of the Popular Democratic Movement, but the group's participation did not win it any elected office.

Ahead lies the arduous work of overcoming that defeat, winning the support of the people, and facing the big party machines in an area the group does not control and which it is entering without significant changes in its language, which remains orthodox.

The guerrilla represents a superseded phase that kept activists apart from "the masses," Commander Ruperto acknowledged.

The guerrilla chief does not deny that the leader of the Cuban revolution, Fidel Castro, financed the Venezuelan guerrillas, at least during its most active years. "We did receive economic assistance when we were MIR [Movement of the Revolutionary Left], but that has not been the case for many years. At any rate, we are deeply grateful for that aid.

The Front took its name from Americo Silva, a guerrilla killed in Guayana in 1971 in a clash with the National Guard. Its operations center was in Anzoategui and Sucre States.

Another member of the group is well-known Commander Gabriel Puerta Aponte, who has a long history of armed struggle. It is he who influenced the group's decision to demobilize the armed Red Flag groups and engage in political activities in the streets.

Commander Ruperto said the decision to abandon the armed struggle was made in response to the different political conditions under the President Rafael Caldera administration.

The guerrilla leader, who said he spent his life fighting, reading, and preaching a revolution during his 32 years in the mountains, notes that with President Caldera, the pioneer of the peace policy of the 1970's, there is a new political picture.

As an example he mentioned President Caldera's dismissal of charges against the officers who participated in the two coup attempts.

Commander Ruperto confessed that he did not experience any culture shock upon returning to the city because for the past few years he maintained occasional contact with it, even though he rigorously observed security precautions and took special care to conceal his true identity. The man, who claims to have experience in this type of thing, founded along with Americo Silva (1965) the first Red Flag guerrilla front in Maturin.

He has five children, some of whom inherited his ideas but not his fighting style.

He left his wife for the guerrillas but admits that a man and a woman need each other in more ways than one. It was for women that he occasionally abandoned his hideouts. He said he is a human being no different from the rest. "I left the mountains on many occasions because of the women, but I found my true passion in the mountains," says this peasant, who does not think he wasted his time by dedicating three decades to the armed struggle.

Commander Ruperto readily admits that "the people no longer want guerrilla actions or military coups."

The Red Flag leader now says that "the people are mobilizing themselves in the streets in defense of their rights and to confront the vast array of socioeconomic problems resulting from the crisis. The struggle is being waged in the cities, not in the mountains."

The old guerrilla leader asks: How are we going to do it if we want the people to know about the political program we offer the country?

He asks: Are we going to achieve that goal by continuing the armed struggle in the isolated mountains with no access to the people?

We will now take to the streets. We are going to come into contact with the people and explain this program of change. Our goal is to convince the people to adopt our program.

Ruben Gonzalez, another member of the Americo Silva Guerrilla Front, admits that their efforts never achieved a national character but said he is pleased with the work done by the peasants and workers of Anzoategui and Sucre States.

"We are demobilizing because the people are demanding deep changes," he said. "Caldera came to power as an expression of a desire for change and thanks to the unity of the people who demanded change."

Gonzalez claims that the "Caracazo" [violent looting and disturbances in February 1989 after President Carlos Andres Perez decreed stringent economic measures] and the two coup attempts in which Red Flag activists participated are the result of a desire for change in the country.

"We came to make our contribution toward change," he said. "We could not have achieved that with our weapons in the mountains."

The commander explained that "revolutionaries do not choose their system of struggle; it is determined by the country's political situation."

The demobilized guerrilla commanders are talking about the need to convene a constituent assembly to implement the unpostponable reforms the people hope for.

They favor a judicial branch that can effectively fight corruption. They condemn the successive frauds such as those at Recadi [Differential Exchange System] and Banco Latino.

Even though they say that the armed struggle has not been entirely ruled out, they claim to have joined the project for peaceful change and ask President Rafael Caldera's administration to promote and convene a constituent assembly.

These men, who were demobilized only three days ago in a ceremony attended by Sucre Governor Ramon Martinez, church authorities, and congressmen, demand that the government draft a policy of social justice, economic development, and democratization of society.

The Red Flag leaders deny they have any responsibility for a plan to disrupt public order and claim that the student demonstrations shaking Caracas are an expression of the "people's just struggle."

"They are typical expressions of the revolutionary movement in which we live, characterized by the impoverishment of the lower classes and by the impunity enjoyed by corrupt officials," they said.

The demobilized guerrillas maintain that the organizations fighting for change in the country cannot remain isolated from one another.

"Circumstances demand that we join the struggle spontaneously begun by the Venezuelan people," they said.

Commanders Ruperto and Gonzalez made a call on other political forces (Third Path, Bolivarian Revolutionary Movement, and so on) to join the civic, peaceful, and democratic struggle.

"No one wants violence any more," they said.

Minister Anticipates Positive IMF Report

PA1705224694 Caracas Union Radio Network in Spanish 1100 GMT 17 May 94

[Report by Vicente Briceno from the "Union Radio News"]

[Text] The finance minister explained that he hopes the IMF mission, which will begin a two-week visit on Tuesday to discuss with Venezuelan experts the behavior of the economy in the first 100 days of the current administration, will issue a satisfactory appraisal of the measures taken. He admitted that differences of opinion might arise over the nonapplication of the VAT [value-added tax] and the increase in gasoline prices, which, he reiterated, might take place at the beginning of 1995 following a study on subsidies for mass transportation. Sosa Rodriguez said that if the IMF concludes that the international reserves have been handled correctly, it would have a very positive psychological effect on the country's economy.

[Begin Sosa recording] Our reserves are at quite a satisfactory level. It is true that operational reserves have dropped this year, but they are at a satisfactory level for any country. Now then, because we have a type of psychosis coupled with a destabilization process involving rumors, telephone calls, and so forth, there is speculation in the market. Obviously, if we had the IMF backing us, those speculators or rumormongers would have a more difficult time. [end recording]

[Briceno] The minister also said the slight upsurge in petroleum prices, which will bring approximately 100 billion bolivares in revenue, will have a favorable effect next year and in 1996 to balance the fiscal deficit. The finance minister also said the World Bank has recommended that some of its experts advise FOGADE [Deposit Guarantee and Banking Protection Fund] and the Banking Superintendency in resolving the management problems of the banks that are being assisted and that are now owned by the state.

Roundup of Economic Developments

PA1705224394

[Editorial Report] The following is a compilation of reports on economic developments monitored through 17 May.

Finance Minister Julio Sosa Rodriguez has announced that Venezuela became a member of the Multilateral Investment Guarantees Agency (MIGA) on 6 May by paying the $3,088,038 that corresponds to the 20-percent subscription fee. By joining MIGA, Venezuela acquires more guarantees in the flow of foreign investment. (Caracas EL GLOBO in Spanish 10 May 94 p 12)

The Venezuelan Central Bank (BCV) reported on 10 May that the people have no need to fear an unstable bolivar, because the drop in international reserves has been curbed. BCV President Antonio Casas said, "There

is no reason not to have faith in the bolivar and in the country's economic future." The dollar experienced a setback on 29 April when the bolivar rose from 118.30 per dollar to 123.50. On 10 May, the bolivar closed at 131.50. (Madrid EFE in Spanish 0112 GMT 11 May 94)

Foreign Trade Institute President Alberto Poletto has announced that the abrupt break in trade talks between Colombia, Mexico, and Venezuela to form a trade zone under the Group of Three "does not mean the end or failure of the negotiations." The foreign trade ministers of Mexico, Colombia, and Venezuela will strive in the coming days to overcome the impasse created in Bogota when Mexico tried to impose conditions the other two countries did not accept. (Caracas REPORTE DE LA ECONOMIA in Spanish 11 May 94 p 20)

Finance Ministry sources have reported that imports have experienced a 40-percent decline. It is estimated that in 1994 exports will reach 10.2-10.5 billion dollars, compared to 1993's 10.9 billion dollar figure. According to the same sources, in 1993 the country sustained an economic reduction of 1 percent, which is expected to reach 1.5 percent in 1994. (Caracas EL NACIONAL in Spanish 11 May 94 p E-2)

During the first three months of 1994, Venezuela experienced a slowdown characterized by spiraling inflation and declines in the basic economic indicators. This is reflected in an economic report prepared by the Presidency's Office of Coordination and Planning. The price of oil, which is a touchstone used to assess the country's revenues, was $12.33 per barrel, showing a 4.8-percent decline when compared to prices recorded in the last three months of 1993. (Caracas Union Radion Network in Spanish 1100 GMT 17 May 94)

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